

NCC-5

Jan '77
to
Sept '78

FRONT



NORTHERN COMMERCIAL COMPANY

EXECUTIVE OFFICES - 1110 THIRD AVENUE

SEATTLE, WASHINGTON 98101

MACHINERY STORES
WHELFORDS, YI
ANCHORAGE
FAIRBANKS
JUNEAU
KETCHIKAN
CHILKATIS
MI. VERNON
N. C. MARINE
TUKWILA
THE CENTERS
ANCHORAGE
FAIRBANKS
KUNAI

#891-ms

December 2, 1976

ALASKA
MERIDIAN BRANCHES
ANCHORAGE
ANCHORAGE
BETHEL
EMERSON
FAIRBANKS
FORT YUKON
HAMILTON
KUNAI
KOTLIK
MC GRATH
NOME
ST. MICHAEL
SHELLENBURN POINT
TANAKA
UNALASKA

Mr. D. E. Skinner, President
Skinner Corporation
Skinner Building
Seattle, Washington 98101

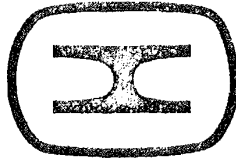
Dear Ned:

I am returning a fully signed copy of your letter of December 1 which, as you stated, sets forth our mutual understandings and intentions. As you may know, yesterday following our meeting, Dick Clark contacted Irwin Treiger concerning some detail in respect of the purchase price of the stores and other assets. These, I am told, are matters of detail only which will be factors in establishing book value, which figure should be in Treiger's hands quite soon.

I also take this opportunity to express my pleasure that we were able to work out the problem areas at yesterday's meeting.

Sincerely yours,


Volney Richmond Jr.



Skinner Building, Seattle, Washington 98101

December 1, 1976

CONFIDENTIAL

Mr. Volney Richmond, Jr.
Northern Commercial Company
Northern Life Building
Seattle, Washington 98101

Dear Volney:

This letter will set forth our mutual understandings and intentions with respect to the acquisition by Skinner Corporation ("Skinner") of the capital stock of Northern Commercial Company ("NC").

re ive offices

Subject to the conditions listed below, Skinner will tender for all of the issued and outstanding shares of NC capital stock for a price of \$21,009,000, which is the projected book value of the U.S. portion of NC Machinery Division ("US Division"), as prepared for us by NC, as of December 31, 1976 (it being Skinner's intent to acquire only such US Division), or \$1,023.44 per share, based on 20,528 shares. The purchase price will be adjusted to take into account the following:

1. Inventory adjustments based on physical inventory results;
2. The net (after tax) proceeds realized by NC on the disposition of its Canadian subsidiary; and
3. The net (after tax, if any) proceeds to be realized by NC on the sale of all other assets not related to the U.S. Division, evidenced by the promissory note referred to in Paragraph 2 below.

Skinner's tender to stockholders owning 200 or fewer shares of NC stock ("Cash Sellers") will be for cash, payable 25% on or before December 31, 1976, and 75% on January 3, 1977. Skinner's tender to stockholders owning

Mr. Volney Richmond, Jr.
December 1, 1976
Page 2.

SKINNER CORPORATION

more than 200 shares ("Installment Sellers"), of whom I understand there are fourteen, will be on terms: a down-payment on or before December 31, 1976 equal to 25% of the purchase price per share calculated without the adjustments provided for in Paragraph 3 above, adjusted downward by the amount of cash required to pay to the Cash Sellers the increase in the purchase price required by such adjustment; and the balance in equal quarterly installments of principal and interest over seven years, with interest at the prime rate charged by the Seattle branch of the Bank of California, plus one percent (1%). The unpaid balance will be secured by a pledge of all of the NC stock purchased by Skinner, and a pledge of at least eighty percent (80%) of the capital stock of Alpac Corporation, presently owned by Skinner and by some members of the Skinner family; the pledgeholder will be such bank or other institution as is mutually agreed. The Installment Sellers will not have recourse against Skinner or any of its shareholders, except to the extent of the pledged stock. If control of Skinner is obtained by non-members of the Skinner family, the obligation may be accelerated at the option of the Installment Sellers.

The tender will be conditioned upon the following:

A. The approval by Caterpillar Tractor Co. ("Caterpillar") of Skinner's purchase of the NC stock pursuant to the provisions of the agreement referred to in paragraph C below, and the execution of a new Sales & Service Agreement and a new Distribution Agreement for Engines between Caterpillar and NC;

B. The sale by NC, prior to December 31, 1976, of all assets unrelated to the U.S. Division. The assets of the Canadian subsidiary will be sold for cash to an unrelated third person and said subsidiary dissolved. The balance of such assets will be sold to a new corporation to be formed, to be known as Alaska Commercial Company ("AC") for a purchase price equal to the net book value thereof, the purchase price to be evidenced by AC's promissory note to NC. Further:

(1) This transaction will be structured in such a way that neither NC nor Skinner will bear any cost, expense, loss or risk of loss;

Mr. Volney Richmond, Jr.
December 1, 1976
Page 3.

SKINNER CORPORATION

(2) The AC note evidencing the purchase price will be payable on the same terms, bearing the same rate of interest, as the Skinner obligation to the Installment Sellers, but payment shall be accelerated if the stock of AC is sold to persons not presently stockholders of NC or if AC sells its assets, to reflect cash payments received as a result of such sale (and payments on Skinner's obligation to the Installment Sellers equal to the amounts received will be similarly accelerated);

(3) Payment of the AC note will be guaranteed by the Installment Sellers (or such of them who, in the aggregate, are at all times owed more by Skinner as a result of the purchase of NC stock than is owed by AC to NC); and

(4) The Installment Sellers (or such group of them as is referred to in the parenthetical clause in paragraph (3) above) shall undertake to cause AC with all deliberate speed to offer to all present NC stockholders who shall have sold their NC stock to Skinner the right to purchase shares of capital stock in AC, pro rata, as the number of shares of NC sold to Skinner by each bears to the total number of NC shares sold to Skinner by all of them, pursuant to an offering under Regulation A under the Securities Act of 1933;

C. The execution of a definitive purchase agreement (containing such provisions and warranties as are usual in such contracts) between Skinner and all of the Installment Sellers; and

D. The amendment of NC's Articles of Incorporation prior to December 10, 1976, pursuant to the provisions of §203(d) of the General Corporate Law of the State of Delaware.

If such conditions are satisfied, closing will take place on or before December 31, 1976, subject to the following conditions:

Mr. Volney Richmond, Jr.
December 1, 1976
Page 4.

SKINNER CORPORATION

I. The acceptance of Skinner's tender by owners of at least 90% of NC's outstanding stock (although less than 100% will be required, you will agree to use your best efforts to obtain 100%);

II. The absence of any materially adverse changes in NC; and

III. The consummation of the sales referred to in paragraph B above.

We both recognize that timing is very critical in this matter and that rapid progress must be made in every respect if the December 31 target which has been imposed upon us by Caterpillar is to be achieved.

I trust that the foregoing correctly sets forth our mutual understandings and would appreciate your acknowledging the same on the enclosed copy of the letter and returning it to me.

If we do proceed with this transaction, and I hope we do, this could very well take care of the slack days between Thanksgiving and New Year's Day.

Very truly yours,

SKINNER CORPORATION

BY 
(D. E. Skinner), President

THE WITHIN AND FOREGOING CONFORMS
TO MY UNDERSTANDING:

Dated: December 2, 1976.


(Volney Richmond, Jr.)

Date January 1, 1977

PERMISSION TO USE FIGURES

Towmotor Corporation
Peoria, Illinois 61629

You are hereby authorized to include the figures from financial reports or other statements furnished to you by us in any average statistics you may compile and to use the actual figures or other relevant details from such reports or statements for discussion with anyone you desire, upon the understanding, however, that our identity will not be voluntarily disclosed to persons other than agents or employees of Caterpillar Tractor Co., its subsidiary or affiliated companies.

NORTHERN COMMERCIAL COMPANY

(Dealer)

By



President (Authorized Signer)

Date January 1, 1977

PERMISSION TO USE FIGURES


Caterpillar Tractor Co.
Peoria, Illinois 61629

You are hereby authorized to include the figures from financial reports or other statements furnished to you by us in any average statistics you may compile and to use the actual figures or other relevant details from such reports or statements for discussion with anyone you desire, upon the understanding, however, that our identity will not be voluntarily disclosed to persons other than agents or employees of Caterpillar Tractor Co., its subsidiary or affiliated companies.

NORTHERN COMMERCIAL COMPANY

(Dealer)

By



President (Authorized Signer)

FO: Finance Department, USCD
Caterpillar Tractor Co.
Peoria, Illinois 61602

SIGNATURE AUTHORIZATION

The business of the undersigned is conducted as a Corporation (Insert type of ownership)
(corporation,
(partnership, or
(sole proprietorship.

The following named persons, whose authorized signatures are furnished herewith, are hereby authorized to sign notes, acceptances, assignments and contracts of whatever kind or character required to be executed by or on behalf of the undersigned in the transaction of business with Caterpillar Tractor Co.

The number and combination of signatures shall be as hereinafter specified:

| (Printed Name) | (Written Signature) | (Title or Type of Partner) |
|------------------------------|-------------------------|----------------------------|
| (1) <u>William Golding</u> | <u>William Golding</u> | <u>President</u> |
| (2) <u>Lee W. Cagle, Jr.</u> | <u>Lee W. Cagle Jr</u> | <u>Vice President</u> |
| (3) <u>Fred B. Corn</u> | <u>Fred B. Corn</u> | <u>Vice President</u> |
| (4) <u>James R. Johnson</u> | <u>James R. Johnson</u> | <u>Vice President</u> |
| (5) <u>Thomas L. Sparks</u> | <u>Thomas L. Sparks</u> | <u>Treasurer</u> |
| (6) <u>Gary D. Norman</u> | <u>Gary D. Norman</u> | <u>Secretary</u> |

Indicate below by number which of the above must sign; for example "1 or 2 or 3", "1 and 2 or 3", "any two", or whatever other combination is desired: any one of the above

This authorization shall remain in full force and effect until written notice of revocation or change thereof is received by Caterpillar Tractor Co.

Dated this First day of January, 19 77,
at Seattle in the State or Province of Washington.

NORTHERN COMMERCIAL COMPANY

(Legal firm name of Dealer)



BY William Golding
President
BY Gary D. Norman
Secretary
BY _____
BY _____

If a corporation, President and Secretary must sign over their title, and affix corporate seal.

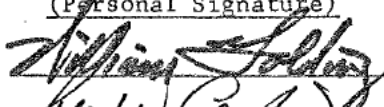


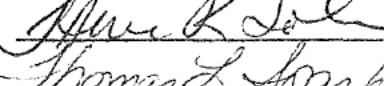
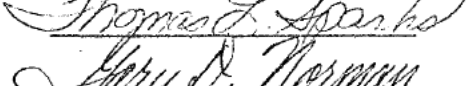
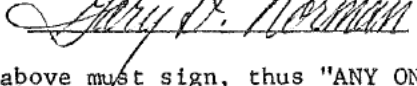
If a partnership, all partners must sign.

If a sole proprietorship, owner must sign.

SIGNATURE AUTHORIZATION

The following named persons, whose signatures in their own handwriting are furnished herewith, are hereby authorized to sign agreements and contracts of any nature, including negotiable instruments, on behalf of the undersigned in the transaction of business with Towmotor Corporation, and are authorized to give instructions to Towmotor Corporation regarding disposition of monies due to the undersigned; and Towmotor Corporation is hereby authorized to accept their signatures.

The number and combination of signatures shall be as hereinafter specified:

| (Name - type or print) | (Personal Signature) | (Title or Position) |
|------------------------|--|---------------------|
| (1) William Golding |  | President |
| (2) Lee W. Cagle, Jr. |  | Vice President |
| (3) Fred B. Corn |  | Vice President |
| (4) James R. Johnson |  | Vice President |
| (5) Thomas L. Sparks |  | Treasurer |
| (6) Gary D. Norman |  | Secretary |

(Indicate below which of the above must sign, thus "ANY ONE" or "ANY TWO" or 1 PLUS 2 OR 3" or whatever other combination is desired.) any one of the above.

Towmotor Corporation (is hereby -- is not) authorized to honor and accept cables giving instructions regarding disposition of monies due to the undersigned when such cables bear the cable name of the undersigned and otherwise purport to be sent by the undersigned, and Towmotor Corporation shall not be required to authenticate or otherwise verify such cables or the purported signatures appearing thereon. Towmotor Corporation shall not be liable to the undersigned or to any other person whomsoever for any claim arising out of its having honored or accepted such cables, and the undersigned hereby agrees to hold Towmotor Corporation harmless from and against any such claims or liabilities.

The undersigned (if a corporation, association, etc.) hereby certifies that the execution of this document has been duly authorized by its board of directors or other legally constituted governing body.

This authorization shall remain in full force and effect until written notice of revocation or change thereof, is received by Towmotor Corporation.

Dated this 1st day of January, 19 77 at Seattle, Washington, U.S.A.
(City and Country)

NORTHERN COMMERCIAL CO.
(Name of Dealer)

By 
President

By 
Secretary

(Corporate Seal)

By _____

NORTHERN COMMERCIAL COMPANY

Shareholders of Record as of March 15, 1977

Skinner Corporation
7th Floor
Skinner Building
Seattle, Washington 98101



BRUCE K. CHAPMAN
SECRETARY OF STATE

CORPORATE LICENSE RENEWAL AND ANNUAL REPORT

RECEIVED
SECRETARY OF STATE
STATE OF WASHINGTON

STATE OF WASHINGTON
OFFICE OF SECRETARY OF STATE
CORPORATIONS & TRADEMARKS DIVISION
OLYMPIA, WASHINGTON 98504

AUTHORIZED CAPITAL

JUL 5 1977

✓ ~~3,750,000.00~~

CK ~~723.19~~ CASH ~~OK~~

CORP. NO.

DEPARTMENTAL USE ONLY

CORP. ALPHA

TRANS. CODE

CP TYPE

F023177

NORTHE

ARFIND

LOF

REG

Please return by July 25 to avoid payment of penalty

CORPORATION NAME AND MAILING ADDRESS

NAME OF REGISTERED AGENT IN STATE OF WASHINGTON

NORTHERN COMMERCIAL COMPANY

✓ ~~N C T CORP SYSTEM~~

~~1218 3RD AVE~~ P.O. Box 3562

SEATTLE WA 98124

~~WA98101~~

C T CORPORATION SYSTEM

REGISTERED OFFICE ADDRESS IN STATE OF WASHINGTON

SAME AS MAILING ADDRESS

FISCAL
YEARS
OWED

DOMESTIC LICENSE

ANNUAL REPORT

TOTAL

FEE

PENALTY

SURTAX

FEE

PENALTY

78 FOREIGN CORPORATIONS USE
FORM ON REVERSE SIDE
TO COMPUTE LICENSE FEES

2.00

SEE
FILING
INSTRUCTIONS
ON
REVERSE
SIDE

AMOUNT DUE IF NO DEDUCTIONS (SEE BELOW) →

CREDIT ALLOWED FOR REGULATORY FEES PAID TO
THE UTILITIES AND TRANSPORTATION COMMISSION.

(SEE INSTRUCTIONS)

DEDUCT

ADJUSTED AMOUNT DUE →

ANNUAL REPORT: TO BE COMPLETED BY BOTH FOREIGN AND DOMESTIC CORPORATIONS

STATE OR COUNTRY
OF INCORPORATION:

Delaware

FOREIGN CORPORATIONS

GIVE ADDRESS OF PRINCIPAL OFFICE IN
STATE OR COUNTRY OF INCORPORATION:

Corporation Trust Company

100 West 10th St., Wilmington, Delaware

BRIEFLY STATE NATURE OF THE
BUSINESS WHICH THE CORPORATION
IS CONDUCTING IN WASHINGTON:

Heavy Machinery Sales and Service

NAMES AND ADDRESSES OF

OFFICERS AND DIRECTORS OF
THE CORPORATION:

PRESIDENT

William Golding

ADDRESS

P.O. Box 3562, Seattle, WA 98124

VICE-PRESIDENT

S Lee Cagle,
Fred Corn, James Johnson

ADDRESS

P.O. Box 3562, Seattle, WA 98124

SECRETARY

ADDRESS

TREASURER

Gary D. Norman

ADDRESS

P.O. Box 3562, Seattle, WA 98124

DIRECTORS:

Thomas L. Sparks

ADDRESS

P.O. Box 3562, Seattle, WA 98124

D.E. Skinner

ADDRESS

1326 5th Ave., Seattle, WA 98101

William Golding

ADDRESS

P.O. Box 3562, Seattle, WA 98124

Arthur Nordhoff

ADDRESS

1326 5th Ave., Seattle, WA 98101

Robert Behnke

ADDRESS

1326 5th Ave., Seattle, WA 98101

(ATTACH ADDITIONAL
SHEET OF PAPER
IF NECESSARY)

CERTIFICATE OF CORPORATE OFFICIAL:

I CERTIFY THAT THE INFORMATION SHOWN ON THIS FORM HAS BEEN VERIFIED AND
IS TRUE TO THE BEST OF MY KNOWLEDGE.

TEST

(SIGNATURE OF SECRETARY)

(SIGNATURE OF PRESIDENT)

SUBSCRIBED AND SWORN TO BEFORE ME ON

6-30-77

(DATE)

(NOTARY)

NOTARY PUBLIC,

IN AND FOR THE STATE OF Washington

RESIDING AT Seattle

(NOTARIAL
SEAL)

1-52 (1-77)

CONFIDENTIAL BUSINESS INFORMATION - DO NOT DISCLOSE

SKN001345

INSTRUCTIONS

Review computer printed information for accuracy. All corporations must fill in Annual Report section. Domestic corporation license information is pre-printed on face of form. Foreign corporations complete license fee computation below and add in Annual Report fees obtained from front of form. Mail remittance and completed form to: Office of Secretary of State, Legislative Building, Olympia, Washington 98504. **MUST BE POST-MARKED BEFORE JULY 1 IN ORDER TO AVOID LATE PAYMENT PENALTIES.**

PENALTIES: Failure to pay license fee before July 1: Minimum of \$2.50 or an amount equal to 1% of the license fee for each month delinquent, whichever is greater. Failure to file Annual Report by July 1, additional \$5.00 fee.

REGULATORY FEES: Fees paid to Utilities and Transportation Commission are deductible from corporate license and late penalty only, -- not from surtax or Annual Report fees.

CHANGE IN CAPITALIZATION: Contact this office for instructions if any change in capitalization, not reflected in amount shown as authorized capital, has occurred.

NON-PRODUCING NATURAL RESOURCE CORPORATIONS: Complete enclosed affidavit and return with this form. Special fee is \$10.00 per license year; if delinquent, additional \$2.50 penalty; also, include applicable annual report fees.

* FOREIGN CORPORATION FEE COMPUTATION (COMPLETE ONE FORM FOR EACH YEAR OWING)

DIVISION OF AUTHORIZED CAPITAL

| NUMBER OF AUTHORIZED SHARES | CLASS | SERIES | PAR VALUE PER SHARE | TOTAL VALUE |
|-----------------------------|-----------|--------|---------------------|-------------|
| 35,000 | Common | | \$100 | \$3,500,000 |
| 2,500 | PREFERRED | | \$100 | \$250,000 |
| NON-PAR TOTAL VALUE | | | | \$3,750,000 |
| TOTAL PAR VALUE | | | | \$3,500,000 |
| TOTAL NON-PAR VALUE | | | | |
| TOTAL AUTHORIZED CAPITAL | | | | \$3,750,000 |

REPORTING PERIOD

FROM TO
MO DAY YR MO DAY YR
1 1 76 12 31 76

| | |
|---|---|
| 1. TOTAL GROSS REVENUE OF CORPORATION | \$105,232,899 00 |
| 2. GROSS REVENUE FROM WASHINGTON | \$ 40,881,413 00 |
| 3. PERCENTAGE OF WASHINGTON REVENUE (DIVIDE LINE 2 BY LINE 1) | 38.85 % |
| 4. AUTHORIZED CAPITAL OF CORPORATION | \$ 3,750,000 00 \$ 3,500,000 00 |
| 5. RATED AUTHORIZED CAPITAL (MULTIPLY LINE 3 BY LINE 4) | \$ 1,456,880 \$ 1,359,750 |
| 6. LICENSE FEES DUE ON RATED CAPITAL* (BASED ON THE AMOUNT OF RATED AUTHORIZED CAPITAL ON LINE 5. SEE SCHEDULE AT RIGHT.) | \$ 596 38 \$ 576 95 |
| 7. LATE PAYMENT PENALTY (SEE INSTRUCTIONS ABOVE) | - |
| 8. CREDIT ALLOWED FOR REGULATORY FEES PAID TO UTILITIES AND TRANSPORTATION COMMISSION | - |
| 9. SUB TOTAL (DEDUCT LINE 8 FROM TOTAL OF LINES 6 AND 7.) | \$ 596 38 \$ 576 95 |
| 10. SURTAX (25% OF LINE 6) | \$ 149 10 \$ 144 24 |
| 11. ANNUAL REPORT FEE (OBTAIN FROM FRONT OF FORM) | \$ 2 00 |
| 12. TOTAL FEES DUE | \$ 747 48 \$ 723 19 |

LICENSE FEES

* ANY FOREIGN CORPORATION QUALIFIED IN WASHINGTON LESS THAN 12 MONTHS, WHOSE FINANCIAL YEAR ENDS AFTER JULY 1, MAY WRITE "QUALIFIED ONLY -- MONTHS" ON RENEWAL AND PAY MINIMUM LICENSE FEE OF \$37.50.

\$30.00 for the first \$50,000.00 and \$0.50 for each additional \$1,000.00 up to and including \$1,000,000.00.

\$505.00 for the first \$1,000,000.00 and \$0.20 for each additional \$1,000.00 up to and including \$4,000,000.00

\$1,105.00 for the first \$4,000,000.00 and \$0.10 for each additional \$1,000.00 (Add 25% Surtax)

NOTE ADDRESS CHANGES HERE

☒ MAILING ADDRESS

☒ REGISTERED OFFICE ADDRESS

PO Box 3562, Seattle, WA 98124

Same as mailing address

ZIP CODE

TERMINATION AGREEMENT

THIS AGREEMENT is made this 18th day of July, 1977, by and between JOHN FABICK TRACTOR COMPANY, a Missouri corporation ("Fabick"), and NORTHERN COMMERCIAL COMPANY, a Delaware corporation doing business as N C Machinery Co. ("NC"), with respect to the following facts:

A. Fabick and NC are parties to a joint venture agreement dated October 28, 1974 (the "Joint Venture Agreement"), pursuant to which a joint venture known as NC-Fabick ("NC-Fabick") was formed for the purpose of providing certain goods and services in connection with the construction of the Trans-Alaska Pipeline.

B. NC-Fabick was dissolved as of the close of business on December 31, 1976, and, since that time, has been engaged primarily in the liquidation of its assets.

C. At the request of Fabick and NC, Touche Ross & Co., independent certified public accountants, have carried out a termination audit of NC-Fabick in accordance with the terms of the Joint Venture Agreement. The tentative audited financial statements as of May 31, 1977 (the "Tentative Statements"), prepared by Touche Ross & Co. have been delivered to Fabick and NC, and a copy thereof is attached hereto as Exhibit A.

D. Fabick and NC desire to effect the termination of NC-Fabick, to resolve certain differences between them concerning the financial condition of NC-Fabick as reflected in the Tentative

Statements and to effect a sale of all of Fabick's right, title and interest in and to NC-Fabick to NC upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties hereto agree as follows:

1. Termination of NC-Fabick. Fabick and NC hereby agree that NC-Fabick shall be deemed formally terminated as of the close of business on the date hereof.

2. Termination Audit. Fabick and NC agree that certain adjustments are appropriate to the Tentative Statements in order to reflect the resolution of certain disputes between them. For purposes of instruction to Touche Ross & Co. as to completion of the termination audit, Fabick and NC agree that the allowance for doubtful accounts reflected in the May 31, 1977 balance sheet contained in the Tentative Statements shall be reduced by \$11,000 to the sum of \$15,064 and that no other allowances for doubtful accounts shall be made. Fabick and NC also agree that the \$90,962 referred to in Note E to the Notes to Financial Statements contained in the Tentative Statements and related to 4% commission sales on parts sold through NC's service department shall be payable to NC-Fabick by NC. No amounts shall be payable to NC-Fabick because of sales to specified customers involved in nonpipeline activities. With respect to the handling fee and freight costs included in the calculation of NC-Fabick's pro rata share of the allowance for Caterpillar parts returned to NC during 1976, Fabick and NC agree that the handling fee shall

be reduced from \$68,878 to \$48,878. No change shall be made in the freight costs as set forth in said Note E.

3. Fabick's Equity and Purchase Price. Fabick and NC recognize that the equity of each of the joint venturers as set forth in the Tentative Statements and as will be set forth in the final termination audit report of Touche Ross & Co. after considering the adjustments to the Tentative Statements authorized in paragraph 2 hereof will not be the same as the purchase price for Fabick's interest in NC-Fabick established in this paragraph. The difference between Fabick's equity as will be stated in the final termination audit report of Touche Ross & Co. and the amount set forth in this paragraph as the purchase price for Fabick's interest in NC-Fabick represents a negotiated settlement between Fabick and NC. Fabick and NC agree that the purchase price for all of Fabick's right, title and interest in and to NC-Fabick and all of NC-Fabick's assets shall be \$771,820, which purchase price has been negotiated after considering and netting the amounts owed to NC-Fabick by Fabick as reflected in the balance sheet contained in the Tentative Statements and the equity of Fabick as stated in the Tentative Statements.

4. Purchase and Sale. NC hereby agrees to buy from Fabick and Fabick hereby agrees to sell to NC all of Fabick's right, title and interest in and to NC-Fabick and all of NC-Fabick's assets, whether tangible or intangible, for the sum of \$771,820. Subject only to the payment of the purchase price as

set forth in the succeeding sentence, Fabick hereby assigns, grants, bargains, sells and delivers to NC all of Fabick's right, title and interest in and to NC-Fabick and all assets (including contract rights) of NC-Fabick, whether tangible or intangible, to have and to hold forever, and Fabick further agrees to execute upon request of NC such further documents of assignment, bills of sale and other documents as may be necessary or desirable to effect the transfers herein envisioned. NC agrees to pay to Fabick within five (5) days of the signing of this Termination Agreement the sum of Seven Hundred Seventy-One Thousand Eight Hundred Twenty Dollars (\$771,820).

5. Potential Losses Due to Parts Returns. Fabick and NC recognize that NC-Fabick may be obligated to Alyeska Pipeline Service Company ("Alyeska") to accept the return by Alyeska of Caterpillar Tractor Company ("Caterpillar") parts and parts manufactured by FMC Corporation, Crane and Excavator Division, Gardner-Denver Company and Grove Manufacturing Company as specified in Purchase Order Number 10771-F100-Z71-FAC, as revised (the "Purchase Order").

(a) With respect to Caterpillar parts, if on or before November 30, 1977, Alyeska notifies NC of its intention to return Caterpillar parts sold to Alyeska by NC-Fabick or NC which parts are required to be accepted for return by the terms of the Purchase Order and if on or before November 30, 1977, Caterpillar has approved the request for return of such parts as distinguished

from the actual return of such parts, Fabick agrees to pay to NC, upon completion of such parts returns and within ten (10) days of NC's invoice to Fabick, one-half of the amount NC would have been entitled to receive as net reimbursement under Exhibit 1 to the Joint Venture Agreement if NC-Fabick had not been dissolved and terminated. However, for purposes of using the formula specified in Exhibit 1 to the Joint Venture Agreement, Fabick and NC agree that: (i) the relevant concluding dates for steps 1 and 2 in the formula will be December 31, 1976; (ii) the dollar amount of parts returned considered in the formula (step 4) will be the percentage of the total dollar amount of all Caterpillar parts returned calculated by dividing the total dollar amount of Caterpillar parts sold to Alyeska by NC-Fabick and NC on or prior to December 31, 1976, by the sum of the total dollar amount of Caterpillar parts sold to Alyeska by NC-Fabick and NC on or prior to December 31, 1976, plus the total dollar amount of all Caterpillar parts sold to Alyeska by NC during the period January 1, 1977, through the earlier of the date of completion of parts returns or November 30, 1977; and (iii) in calculating the amount due to the returning partner because of 100% sales, manufacturers' credits which are required to be repaid to NC-Fabick by the returning partner in accordance with steps 11 and 7 of the formula will be subtracted from the amount determined in step 10 thereof. Fabick shall have such access to the books and records of NC as may be reasonable and necessary to enable Fabick to audit any losses due to Caterpillar parts returns as reported by NC.

(b) With respect to parts manufactured by FMC Corporation, Crane and Excavator Division, Gardner-Denver Company and Grove Manufacturing Company (the "Specified Manufacturers"), if on or before November 30, 1977, Alyeska notifies NC of its intention to return any such parts sold to Alyeska by NC-Fabick, Fabick and NC agree that before agreeing to accept the return of any such parts, NC shall require Alyeska to demonstrate that:

- (i) all such parts were, in fact, purchased from NC-Fabick;
- (ii) all the items are genuine parts and are in new and saleable condition and in the original unopened containers and cartons sold by NC-Fabick;
- (iii) none of the items are made as ordered items or nonreturnable items as listed in the relevant Manufacturer's Numerical Parts Record; and
- (iv) none of the items are parts removed from machines or are incomplete, rusty, damaged or unidentifiable.

If Alyeska can demonstrate that the parts it desires to return are required to be accepted for return under the terms of the Purchase Order, Fabick and NC agree that Fabick will assist in any negotiations with the Specified Manufacturers and that NC will carry out the physical acceptance and return of the parts. All losses, damages and expenses (including, without limitation, payments necessary to Alyeska and attorneys' fees but excepting salaries of employees of Fabick and NC) incurred by Fabick and/or NC in connection with the return by Alyeska of parts manufactured by the Specified Manufacturers as required by the terms of the Purchase Order shall be borne and/or paid equally,

one-half by Fabick and one-half by NC. If, as a result of the Agreement between Fabick and NC regarding losses, damages and expenses related to the return by Alyeska of parts manufactured by the Specified Manufacturers, either party owes or is obligated to the other party for any sum, Fabick and NC agree that the party so indebted shall pay the sum owed to the other party within ten (10) days of the other party's invoice for such sum.

6. Washington State Taxes. Fabick and NC recognize that the Department of Revenue of the State of Washington has recently indicated that it believes NC-Fabick may be liable to the State of Washington for business and occupation taxes during the period prior to December 31, 1976. NC agrees that it will undertake the processing and defense of the claim by the Washington Department of Revenue and that it will keep Fabick and its counsel fully advised of the status, projected outcome and outcome of the matter. Fabick agrees that it will reimburse NC for one-half of any losses, damages or expenses (including, without limitation, attorneys' fees but excluding the salaries of NC's employees devoting time to the matter) incurred by NC from and after the date hereof arising out of the investigation of NC-Fabick by the Washington Department of Revenue, and Fabick agrees to pay one-half of any amount which must be paid to the Washington Department of Revenue at the time such payment is due and payable.

7. Assumption of Liabilities and Indemnity. Fabick represents and warrants to NC that, to the best knowledge of Fabick's officers, directors and employees, NC-Fabick is not on the date hereof subject to any actual or potential duties, obligations, litigation, claims, demands or liabilities other than as reflected in the Tentative Statements and paragraphs 5 and 6 hereof. Except as provided in paragraphs 5 and 6 hereof, NC hereby accepts and assumes all duties, obligations and liabilities of NC-Fabick which exist at the date hereof or which may hereafter arise, and NC further agrees to perform all such duties and obligations and to discharge all such liabilities. NC further agrees to indemnify Fabick from any and all damages or losses incurred by Fabick arising out of the duties, obligations and liabilities of NC-Fabick accepted and assumed by NC herein. The foregoing acceptance and assumption of duties, obligations and liabilities and indemnity are not intended to apply to or cover any income or business license tax liabilities of Fabick to federal, state or local authorities as a consequence of the business activities of NC-Fabick or as a consequence of this Termination Agreement.

8. Mutual Release. Except as provided in paragraph 7 hereof, Fabick hereby releases NC from any and all claims or demands by, and any and all obligations, liabilities or debts to, Fabick arising out of or in any way connected with the Joint Venture Agreement, whether arising prior to the date hereof or

hereafter. Except as provided in paragraphs 5, 6 and 7 hereof, NC and NC-Fabick hereby release Fabick from any and all claims or demands by, and any and all obligations, liabilities or debts (including all amounts due NC-Fabick by Fabick as shown on the Tentative Statements) to, NC or NC-Fabick arising out of or in any way connected with the Joint Venture Agreement, whether arising prior to the date hereof or hereafter.

9. Notices. All notices or instructions required or permitted under this Termination Agreement shall be in writing and shall be delivered in person or sent by certified mail, return receipt requested, to the party to whom addressed, at the address set forth below (or to such other address as any party may from time to time advise the other):

| | |
|------------|--|
| To Fabick: | John Fabick Tractor Company One Fabick Drive P. O. Box 5900 Fenton, Missouri 63026 Attention: Francis J. Fabick President |
| To NC: | Northern Commercial Company 17025 West Valley Highway (Tukwila) P. O. Box 3562 Seattle, Washington 98124 Attention: William Golding President |

Any notice sent by certified mail in accordance with this paragraph 9 shall be deemed delivered as of five (5) days after the date on which such notice was certified.

10. Counterparts. This Termination Agreement may be executed in one or more counterparts and complete originals, each of which may be deemed to be an original instrument but all of which together shall constitute one instrument and only one set of rights and obligations shall arise therefrom.

11. Time of Essence. Time shall be of the essence to this Termination Agreement.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to sign on their behalf below and to affix their respective corporate seals hereto on the date and year first above written.

NC:

NORTHERN COMMERCIAL COMPANY

By

Gary D. Norman
Its Secretary

[SEAL]

Fabick:

JOHN FABICK TRACTOR COMPANY

By

Francis J. Fabick
Its President

[SEAL]

TENTATIVE

NC-FABICK
(a joint venture)

STATEMENT OF VENTURERS' EQUITY

FIVE MONTHS ENDED MAY 31, 1977

| | <u>NC Machinery Co.</u> | <u>John Fabick Tractor Company</u> | <u>Total</u> |
|------------------------------|-------------------------|--|--------------------|
| Balance at January 1, 1977 | \$1,875,231 | \$1,200,314 | \$3,075,545 |
| Deduct: | | | |
| Venturer withdrawal | 750,053 | - | 750,053 |
| Distributions of assets, net | 294,300 | 308,401 | 602,701 |
| Net loss for the period | <u>99,716</u> | <u>99,716</u> | <u>199,432</u> |
| | <u>1,144,069</u> | <u>408,117</u> | <u>1,552,186</u> |
| Balance at May 31, 1977 | <u>\$ 731,162</u> | <u>\$ 792,197</u> | <u>\$1,523,359</u> |

See notes to financial statements.

(TENTATIVE)

NC-FABICK
(a joint venture)

BALANCE SHEET

MAY 31, 1977

ASSETS

| | | |
|---|---------------|--------------------|
| Cash | | \$ 607,696 |
| Receivables - | | |
| Trade accounts | \$140,831 | |
| Claims - Inventory parts returns, net of trade accounts payable of \$152,138 (Notes A and B) | 623,458 | |
| Vendor warranty claims | <u>32,750</u> | |
| | 797,039 | |
| Less allowance for doubtful accounts | <u>26,064</u> | |
| | 770,975 | |
| Due from venturers: | | |
| John Fabick Tractor Company | 113,033 | |
| NC Machinery Co. | <u>94,733</u> | 978,741 |
| Inventory, at cost (Note C) | | 11,262 |
| Building, furniture and fixtures, at cost, less accumulated depreciation of \$181,422 (Note D) | | <u>45,399</u> |
| | | <u>\$1,643,098</u> |

LIABILITIES AND VENTURERS' EQUITY

| | |
|-------------------------------------|--------------------|
| Trade accounts payable | \$ 119,739 |
| Contingencies (Notes B, D, E and F) | |
| Venturers' equity | <u>1,523,359</u> |
| | <u>\$1,643,098</u> |

See notes to financial statements.

EXHIBIT A

(TENTATIVE (

NC-FABICK
(a joint venture)

BALANCE SHEET

MAY 31, 1977

ASSETS

| | | |
|---|---------------|--------------------|
| Cash | | \$ 607,696 |
| Receivables - | | |
| Trade accounts | \$140,831 | |
| Claims - Inventory parts returns, net of trade accounts payable of \$152,138 (Notes A and B) | 623,458 | |
| Vendor warranty claims | <u>32,750</u> | |
| | 797,039 | |
| Less allowance for doubtful accounts | <u>26,064</u> | |
| | 770,975 | |
| Due from venturers: | | |
| John Fabick Tractor Company | 113,033 | |
| NC Machinery Co. | <u>94,733</u> | 978,741 |
| Inventory, at cost (Note C) | | 11,262 |
| Building, furniture and fixtures, at cost, less accumulated depreciation of \$181,422 (Note D) | | <u>45,399</u> |
| | | <u>\$1,643,098</u> |

LIABILITIES AND VENTURERS' EQUITY

| | |
|-------------------------------------|--------------------|
| Trade accounts payable | \$ 119,739 |
| Contingencies (Notes B, D, E and F) | |
| Venturers' equity | <u>1,523,359</u> |
| | <u>\$1,643,098</u> |

See notes to financial statements.

TENTATIVE

NC-FABICK
(a joint venture)

STATEMENT OF OPERATIONS

FIVE MONTHS ENDED MAY 31, 1977

| | |
|--|------------------|
| Net sales | \$324,005 |
| Net gain on liquidation of property (Note D) | 51,741 |
| Other income | <u>13,638</u> |
| | 389,384 |
| Cost and expenses: | |
| Cost of sales | 289,751 |
| Selling, administrative and general | 289,987 |
| Depreciation | <u>9,078</u> |
| | <u>588,816</u> |
| Net loss | <u>\$199,432</u> |

See notes to financial statements.

(TENTATIVE)

NC-FABICK
(a joint venture)

STATEMENT OF CHANGES IN FINANCIAL POSITION

FIVE MONTHS ENDED MAY 31, 1977

APPLICATION OF FUNDS:

| | |
|---|--------------------|
| Operations - | |
| Net loss | \$ 199,432 |
| Net write-down of assets distributed to venturers | (15,516) |
| Depreciation expense | <u>(9,078)</u> |
| Funds used in operations | 174,838 |
| Venturer withdrawal | 750,053 |
| Decrease in notes payable | 346,041 |
| Increase in cash | 258,579 |
| Decrease in accounts payable and other accrued liabilities | <u>98,755</u> |
| | 1,628,266 |
| Net distribution of assets to venturers | <u>602,701</u> |
| | <u>\$2,230,967</u> |

SOURCE OF FUNDS:

| | |
|---|--------------------|
| Machine and parts inventory returned to manufacturers or sold | 816,581 |
| Decrease in trade, warranty and claims receivable, net of offsets to venturers' equity of \$130,415 | 701,363 |
| Distribution of assets to venturers - Machine and parts inventory | 443,062 |
| Property assets | 86,244 |
| Decrease in amounts due from venturers | 175,649 |
| Decrease in prepaid insurance | 4,934 |
| Sale of property assets | <u>3,134</u> |
| | <u>\$2,230,967</u> |

See notes to financial statements.

(TENTATIVE)

NC-FABICK
(a joint venture)

NOTES TO FINANCIAL STATEMENTS

FIVE MONTHS ENDED MAY 31, 1977

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and operations -

The joint venture was organized in September 1969 by Northern Commercial Company d/b/a NC Machinery Co. (50%) and John Fabick Tractor Company (50%) to supply heavy equipment and services to contractors involved in the construction of the Alaska pipeline. Under terms of the venture agreement, dated October 28, 1974, the venture is entitled to all sales or rentals of machines, initial parts and attachments and service by either venturer of equipment produced by manufacturers intended for use on the Alaska pipeline by specified contractors and subcontractors. All parts and attachments ordered from either venturer for the purpose of initial stocking of camps, which were established for the road, the pipeline, the pumping stations and/or the tank farms to be constructed and operated on the Alaska pipeline, are to be included in the joint venture. In addition, effective September 1, 1974, 4% of the aggregate net sales of all parts, attachments and supply items sold by either venturer to specified contractors and subcontractors, and intended for use on the Alaska pipeline, is to be paid to the joint venture.

The joint venture was terminated as of March 31, 1977. During January 1977 the venturers and the Alyeska Pipeline Service Company (Alyeska) executed a letter of agreement assigning the various Alyeska contracts, to which the joint venture was a party, to Northern Commercial Company effective as of December 31, 1976. Accordingly, activities during the five-month period ended May 31, 1977 have been limited primarily to the liquidation of the joint venture's assets. The financial statements are not, therefore, intended to present financial information in accordance with generally accepted accounting principles.

Claims - Parts returns -

Claims receivable result from the return of parts to manufacturers and consist principally of credit memos received from manufacturers as of May 31, 1977.

The year-end claims receivable balance has been reduced by the extent to which accounts payable balances are outstanding to these manufacturers which can be satisfied with the existing credit memos.

Federal income taxes -

Joint venture earnings are reportable for state and Federal income tax purposes by the venturers; accordingly, no provision for income taxes is recorded in the accounts of the joint venture. Investment tax credit benefits are passed through to the venturers.

NOTE B - CLAIMS RECEIVABLE - PARTS RETURNS:

Claims receivable at May 31, 1977 resulting from the return of parts to manufacturers are as follows -

| | |
|------------------------------|------------------|
| Link-Belt (FMC Corp.) | \$404,950 (1) |
| Gardner-Denver Co. | 98,316 (2) |
| Sullair Corporation | 70,946 |
| CRC Kelley Products Division | 28,110 |
| Grove Manufacturing Co. | 12,148 |
| Kennametal Inc. | 8,988 |
| | <u>\$623,458</u> |

- (1) The joint venture has received credit memos from Link-Belt totaling \$272,018 for parts returned during the period valued at \$330,372. The joint venture is presently seeking to obtain additional credits for the difference of \$58,354.
- (2) Credits totaling \$68,556 have been granted by the Gardner-Denver Co. for parts returned during the year valued at \$110,207. The Company has not indicated how much, if any, additional credit would be granted for the difference of \$41,651.

Should additional credits not be granted by Link-Belt and the Gardner-Denver Co. on the above claims, net loss for the period would be increased by \$100,000.

NOTE C - INVENTORY:

Parts inventory -

In contemplation of the joint venture liquidation, substantially all parts at December 31, 1976 were reduced from cost to "net realizable value" which is the return price to parts manufacturers less estimated freight and handling costs.

During the period parts inventory valued at \$893,900 as of December 31, 1976 was liquidated as follows -

| | |
|-------------------------------------|------------------|
| Returns to manufacturers for credit | \$638,709 |
| Distribution to venturers: | |
| NC Machinery Co. | 98,418 |
| John Fabick Tractor Company | 97,646 |
| Sales | 35,323 |
| Additional write-downs | 23,804 (1) |
| | <u>\$893,900</u> |

- (1) Included in cost of sales

TENTATIVE

Machine inventory -

Machines with a cost value of \$447,242 as of December 31, 1976 were substantially liquidated during the period as follows -

| | | |
|---|--|-------------------|
| Distributions to venturers (Kennametal parts): | | |
| John Fabick Tractor Company | | \$162,749 |
| NC Machinery Co. | | 132,974 |
| Sales | | 65,714 |
| Return to manufacturer for credit | | 28,110 |
| Write-down of machines distributed to venturers from cost to net realizable value | | <u>46,433 (1)</u> |
| | | 435,980 |
| Machine inventory remaining at May 31, 1977, at cost | | <u>11,262 (2)</u> |
| | | <u>\$447,242</u> |

- (1) Included in cost of sales
(2) Gardner-Denver twin drill

NOTE D - BUILDING, FURNITURE AND FIXTURES:

The major classes of building, furniture and fixtures at May 31, 1977, the related accumulated depreciation and the depreciation lives are as follows -

| <u>Class</u> | <u>Depreciation life</u> | <u>Cost</u> | <u>Accumulated depreciation</u> | <u>Net cost</u> |
|------------------------|--------------------------|------------------|---------------------------------|-----------------|
| Building | 3 years | \$220,428 | \$179,608 | \$40,820 |
| Furniture and fixtures | 8 years | <u>6,393</u> | <u>1,814</u> | <u>4,579</u> |
| | | <u>\$226,821</u> | <u>\$181,422</u> | <u>\$45,399</u> |

Depreciation has been provided through March 31, 1977, the termination date of the joint venture, based upon the double declining balance method.

Building (i.e., two mobile office trailers), equipment, furniture and fixtures with a total net cost of \$95,405 was distributed to the venturers or sold during the period at a net gain of \$51,741 as follows -

(TENTATIVE)

| | <u>Building</u> | <u>Equipment</u> | <u>Furniture and fixtures</u> |
|---|-----------------|------------------|-----------------------------------|
| Net cost | \$ 734 | \$89,960 | \$ 4,711 |
| Distributions to ventures: | | | |
| NC Machinery Co. | | 76,821 | 14,459 |
| John Fabick | | | |
| Tractor Company | | 25,246 | 5,718 |
| Sold to: | | | |
| NC Machinery Co. | | 5,190 | |
| Others | <u>11,250</u> | <u>8,462</u> | <u> </u> |
| Net gain from dis- tributions and sales | <u>\$10,516</u> | <u>\$25,759</u> | <u>\$15,466</u> |

Included in the above equipment net cost are payments to the leasing company for the residual value of certain leased service vehicles totalling \$39,236.

The joint venture has received earnest money, \$1,000, in connection with a pending sales offer for the building and remaining furniture and fixtures for \$80,000. The potential gain on sale, \$34,601, is not included in the financial statements as of May 31, 1977.

NOTE E - UNRESOLVED MATTERS:

Commission income -

As described in Note A, effective September 1, 1974, a 4% commission was to be paid to the joint venture on sales of all parts, attachments and supply items sold by either joint venture partner to specified customers and intended for use on the Alyeska pipeline. Net sales during the period from September 1, 1974 to December 31, 1976 on which the 4% commission has been paid totaled \$73,988,677.

The above net sales do not include sales of parts included in service work orders and sales of parts to certain specified customers identified as "nonpipeline" related. Partners of the joint venture are not in agreement as to the propriety of calculating commissions upon sales of these parts. If service work order part sales and/or part sales to customers identified as "nonpipeline" related were included, commission income and receivables from venturers would be increased as follows -

| | <u>Net sales</u> | <u>Commission thereon</u> |
|--|------------------|-------------------------------|
| Part sales included in service work orders, net of "nonpipeline" related sales below | \$2,274,043 | \$90,962 |
| Part sales to specified customers involved in "nonpipeline" activities: | | |
| Service work order sales | 118,894 | 4,755 |
| Other | 1,292,285 | 51,123 |

Caterpillar parts return -

During 1976, Alyeska returned parts to NC Machinery Co. for which Alyeska was, or will be, issued credits totaling approximately \$8,576,000. Credits from Caterpillar Tractor Company for such returns were \$7,576,000, or a price differential of \$950,000. See Note F for details relating to the return provisions included in the contracts with Alyeska and the return agreement with the Caterpillar Tractor Company. The venturers have specified in the joint venture agreement a formula to determine the proration of parts return reimbursement between the joint venture and NC Machinery Co.

During the current period all credits from Caterpillar Tractor Company were finalized. In addition, NC Machinery has determined the final credits to be issued to Alyeska as noted above. Accordingly, the joint venture's pro rata share of the allowance for Caterpillar parts returned during 1976 in accordance with the formula specified in the joint venture agreement is as follows -

| <u>Provision for the period ended</u> | | | |
|---------------------------------------|--------------------------|---------------------|------------------|
| | <u>December 31, 1976</u> | <u>May 31, 1977</u> | <u>Total</u> |
| 4% commission on parts returned | \$286,140 | \$ (306) | \$285,834 |
| Price differential | 85,644 | (2,806) | 82,838 |
| Handling fee, 10% | 68,897 | (19) | 68,878 |
| Freight costs | <u>17,015</u> | <u> </u> | <u>17,015</u> |
| | <u>\$457,696</u> | <u>\$ (3,131)</u> | <u>\$454,565</u> |

Partners of the joint venture are not in agreement as to the amount of handling fee and freight costs included in the above allowance for Caterpillar parts returned during 1976.

NOTE F - CONTINGENT LIABILITIES:

Caterpillar parts return -

In accordance with certain terms of contracts with Alyeska, new Caterpillar parts sold to Alyeska may be returned for credit (through NC Machinery Co.) based on the manufacturer's suggested price list in effect twelve months prior to the date of return, less 12% for handling charges and cash discounts given. NC Machinery Co. sold Caterpillar parts to Alyeska for which a 4% commission was paid to the joint venture. Due to the impracticability of specifically identifying parts returned to NC Machinery Co. by Alyeska which were originally sold by the joint venture or NC Machinery Co., the venturers have specified in the joint venture agreement a formula to determine the proration of parts return reimbursement between the joint venture and NC Machinery Co.

NC Machinery Co. also has an agreement with Caterpillar Tractor Company to return for credit the parts returned from Alyeska at the current manufacturer's dealer net price, less 2%. This credit is also prorated between the joint venture and NC Machinery Co.

In addition to the above parts returned in 1976, Alyeska also has Caterpillar parts at its warehouse facilities in Fairbanks, Alaska and at several camps along the Alaska pipeline. NC Machinery Co. estimates Caterpillar parts could be returned by Alyeska for credit with a corresponding credit from the manufacturer as follows -

| | <u>Fairbanks warehouse</u> | <u>Camps</u> | <u>Total</u> |
|--|--------------------------------|-------------------|--------------------|
| Credit to Alyeska | \$4,458,000 | \$3,000,000 | \$7,458,000 |
| Credit from Caterpillar Tractor Company | <u>3,841,000</u> | <u>2,585,000</u> | <u>6,426,000</u> |
| Price differential | <u>\$ 617,000</u> | <u>\$ 415,000</u> | <u>\$1,032,000</u> |

Should Alyeska elect to return these parts to NC Machinery Co., the joint venture's pro rata share of this resulting liability is estimated at \$427,700 (Fairbanks warehouse, \$257,700, and camps, \$170,000).

On March 17, 1977, Alyeska solicited bids from various Caterpillar dealers and other interested parties to sell the entire lot of parts inventory at their Fairbanks warehouse. On April 26, 1977, Alyeska rejected all bids "because of an unexpected requirement for spare parts for pipeline start-up and related operations".

Parts return provisions similar to the Caterpillar provision exist with Alyeska for the following part lines: Link-Belt (FMC), Gardner-Denver and Grove. These contract provisions provide for credit to Alyeska based upon the manufacturer's current net prices, less 15% and freight costs. Parts lines other than those specified above will be accepted for return in accordance with terms for return credits established by the manufacturers at the date of such returns, less 15%.

Management estimates there is approximately \$628,000 of the specified parts lines (net of the 15%) remaining at Alyeska's Fairbanks warehouse and camps which could be returned to the joint venture for credit. The joint venture has parts return agreements with manufacturers as to its own inventory (see Note B) and is negotiating to have these agreements extended to any return of parts by Alyeska.

The venturers cannot predict what Alyeska's need for spare parts for pipeline start-up and related operations will be, or what their action will be as to the return of any remaining parts. In view of this uncertainty, no provision for parts remaining at the Alyeska Fairbanks warehouse facilities or camps has been made in the financial statements as of May 31, 1977.

State business and occupation taxes -

(Awaiting letter from attorney)

LAW OFFICES

BOGLE & GATES

ROBERT W. GRAHAM
CHARLES F. OSBORN
MAX KAMINOFF
ROBERT V. HOLLAND
J. TYLER HULL
ARTHUR G. GRUNKE
RONALD E. MCKINSTRY
EDWARD C. BIELE
RICHARD S. SPRAGUE
IRWIN L. TREIGER
PAUL W. STEERE
ROBERT A. STEWART
DONALD L. JOHNSON
DON PAUL BADGLEY
PETER D. BYRNES
GERHARDT MORRISON
JOHN T. PIPER
THOMAS J. McKEY
EDWARD G. LOWRY III
JOHN P. SULLIVAN
DUSTIN C. MCCREARY
RONALD T. SCHAPS
MIKE LILES, JR.

WILLIAM L. PARKER
DAN P. HUNGATE
JOHN C. COUGHENOUR
PETER M. ANDERSON
DELBERT D. MILLER
ROBERT D. KAPLAN
DAVID M. SALENTINE
DALE B. RAMERMAN
E. McDUFF ARCHIBALD
JAY H. ZULAUF
RICHARD M. CLINTON
MICHAEL S. COURTNAGE
KARL J. EGE
MICHAEL W. DUNDY
CHARLES R. BLUMENFELD
JAMES A. SMITH, JR.
THOMAS C. GORES
KIMBERLY W. OSENBAGH
JOHN F. BOESPFLUG, JR.
FREDERICK T. RASMUSSEN
DEAN A. MESSMER
JAMES F. TUNE
THADDAS L. ALSTON

SPENCER HALL, JR.
ARTHUR C. CLAPLIN
ROBERT C. GRAYSON
D. MICHAEL YOUNG
J. PETER SHAPIRO
KELLY P. CORR
ELAINE L. SPENCER
SUZANNE A. SMITH
GUY P. MICHELSON
CHRISTOPHER J. BARRY
STEPHEN J. SIRIANNI
SANDRA R. CRIBBS
JAMES M. JERGE
RICHARD A. BERSIN
WILLIAM E. VAN VALKENBERG

Counsel
STANLEY B. LONG
EDWARD G. DOBRIN
FRANK L. MECHEM
ORLO B. KELLOGG
THOMAS L. MORROW
M. BAYARD CRUTCHER

THE BANK OF CALIFORNIA CENTER
SEATTLE, WASHINGTON 98104

CABLE "BOGLE SEATTLE"
(206) 682-5151 TELEX: 32-1087

August 19, 1977

Mr. William Golding
President
Northern Commercial Company
P.O. Box - 3562
Seattle, Washington 98124

Re: Skinner Corporation - Claims re Northern
Commercial Company

Dear Bill:


Enclosed are:

- (1) A fully signed original of the Agreement for Settlement of Claims dated August 8, 1977; and
- (2) A copy of a letter dated August 18, 1977 from Richard A. Clark, Esq. to the undersigned.

Please note from Mr. Clark's letter that he is requesting Skinner Corporation to provide Alaska Commercial Company with the information concerning the September 30, 1977 payment to the former large stockholders as soon as possible. In addition, it now appears that the closing of the sale of the retail stores will occur on October 3, 1977. At the time of that closing, the obligations of Alaska Commercial Company to Northern Commercial Company will, at least in part, be accelerated. Correspondingly, the obligations of Skinner Corporation to the former large stockholders will be accelerated in an identical amount. Obviously, the accounting representatives of the various parties will want to coordinate to insure that these mechanics go smoothly.

Very truly yours,

BOGLE & GATES


James F. Tune

Enclosures

ORIGINAL

AGREEMENT FOR SETTLEMENT OF CLAIMS

Agreement made as of this 8th day of August, 1977, by and between the following parties:

Northern Commercial Company, a Delaware Corporation ("NC");

Skinner Corporation, a Washington Corporation ("Skinner");

Alaska Commercial Company, a Delaware Corporation ("AC");

and

Volney Richmond Jr., individually and as agent for Nell Agnes Cody, the Estate of Mary Lavilla Kehrl, John E. Larson, Patricia McCann McAuliff, Earl Parsons, Howard E. Richmond, Howard E. Richmond, Jr., Polly Poe Richmond, Polly Poe Richmond, Jr., Volney Richmond III, Truman Sage, Unit & Company and Phyllis R. Yaw ("Selling Shareholders").

Recitals

A. On December 29, 1976, NC entered into an agreement with AC entitled "Agreement for the Purchase of Assets" ("December 29, 1976, Asset Purchase Agreement") whereunder NC sold to AC all of the assets of NC which had been held in connection with NC's retail store activities in Alaska (except the sale of the McGrath Utility was postponed to a later date) and all other business activities of NC, other than the U.S. Machinery Division, including the stock of Northern Commercial Company, Ltd., a Yukon Territory Corporation ("NC Ltd."). The total dollar purchase price to be paid by AC as set forth in the December 29, 1976, Asset Purchase Agreement was \$6,169,518.00. As part of the December 29, 1976, Asset Purchase Agreement, AC also agreed to indemnify and hold harmless the Selling Shareholders against all losses, claims, damages, liabilities and expenses arising out of the December 29, 1976, Asset Purchase Agreement and the December 30, 1976, Stock Purchase Agreement, referred to in recital B. below, and to indemnify NC and Skinner against certain losses enumerated in the December 29, 1976, Asset Purchase Agreement.

B. On December 30, 1976, the Selling Shareholders entered into an agreement with Skinner entitled "Stock Purchase Agreement" ("December 30, 1976, Stock Purchase Agreement") whereunder the Selling Shareholders who were holders of 200 or more shares of NC stock sold to Skinner all of their NC stock for an aggregate purchase price of \$23,936,948.59.

C. By letters dated March 2, 1977, and April 27, 1977, from Bogle & Gates, attorneys for NC and Skinner, (respectively the "March 2, 1977, Bogle & Gates letter" and the "April 27, 1977, Bogle & Gates letter"), claims were made on behalf of NC and Skinner as to which AC has a responsibility for payment to the extent such claims are valid. A copy of an audit report as of December 31, 1976, of NC prepared by Price Waterhouse & Co. ("PW") accompanied the April 27, 1977, Bogle & Gates letter.

D. The parties hereto have agreed to a settlement of the claims made by NC and Skinner all upon the terms and conditions hereinafter set forth.

E. In the March 2, 1977, Bogle & Gates letter and the April 27, 1977, Bogle & Gates letter, there were reserved from the claims made by NC and Skinner claims arising out of the joint venture between NC and John Fabick Tractor Company ("Fabick") in which NC had a 50% interest and investment ("NC-Fabick Joint Venture"). The NC-Fabick Joint Venture was dissolved as of December 31, 1976, but a final disposition of all joint venture matters had not been reached at the dates of the March 2, 1977, and April 27, 1977, Bogle & Gates letters. However, on July 18, 1977, NC negotiated a settlement of joint venture matters with Fabick, and the joint venture was formally terminated. NC and Skinner have agreed no claims are to be made arising out of the NC-Fabick Joint Venture (other than the claim set forth on page 4 of the April 27, 1977 Bogle & Gates letter).

NOW, THEREFORE, in consideration of the agreements of the parties hereto as hereinafter set forth, for and in consideration of the sum of \$1.00 in hand paid to both NC and Skinner, and for other good and valuable consideration, it is mutually agreed as follows:

1. Settlement of Claims. In settlement of the claims made by Skinner and NC in the March 2, 1977, and April 27, 1977, Bogle & Gates letters, the parties hereto agree that (a) Skinner may exercise a right of set off under the December 30, 1976, Stock Purchase Agreement in the amount of \$1,092,805 in the manner set forth in Paragraph 2 hereof; and (b) the purchase price paid by AC for assets purchased from NC under the December 29, 1976, Asset Purchase Agreement shall be increased by the amount of \$970,846 in the manner set forth in Paragraph 3 hereof. The total settlement amount is TWO MILLION SIXTY THREE THOUSAND SIX HUNDRED FIFTY ONE DOLLARS (\$2,063,651.00).

2. Payment By AC of \$1,092,805. Skinner hereby exercises its right under Section 12.04 of the December 30, 1976, Stock Purchase Agreement to set off the amount of \$1,092,805, a liquidated loss to Skinner, against the installment obligations of

Skinner to the Selling Shareholders as set forth in Section 3.02 of the December 30, 1976, Stock Purchase Agreement. Skinner also hereby notifies Volney Richmond Jr., as agent for the Selling Shareholders, that it is exercising its right of set off against the installments due to the Selling Shareholders on September 30, 1977, and December 31, 1977, by an amount of \$1,092,805. Skinner and NC recognize that AC is obligated under the December 29, 1976, Asset Purchase Agreement to, and will, indemnify and hold harmless the Selling Shareholders from any and all losses, claims, damages, liabilities, and expenses resulting from the claimed or actual breach of any representation, warranty, covenant or agreement made by AC or the Selling Shareholders in connection with the December 29, 1976, Asset Purchase Agreement or the December 30, 1976, Stock Purchase Agreement or transactions contemplated thereby. Skinner will provide to AC on or before September 29, 1977, a statement showing the amounts of the installment payments, including principal and interest, which would have been due to the respective Selling Shareholders on September 30, 1977, if Skinner had not exercised its right of set off, and AC will pay the specified amounts to each of the Selling Shareholders on September 30, 1977. Exhibit A attached hereto and by this reference incorporated herein, lists each of the Selling Shareholders and the amount of principal payment due to each on September 30, 1977. Skinner's notice to AC on or before September 29, 1977, of amounts due to the Selling Shareholders will complete Exhibit A by specifying: (i) the amount of interest payable to each of the Selling Shareholders on September 30, 1977; (ii) the total payment to be made by AC to each of the Selling Shareholders on September 30, 1977; and the total payment to be made by AC to each of the Selling Shareholders on December 31, 1977.

3. Payment by AC of \$970,846.00. AC agrees to pay to NC the sum of NINE HUNDRED SEVENTY THOUSAND EIGHT HUNDRED FORTY SIX DOLLARS (\$970,846.00) in quarterly installments commencing on September 30, 1977, with an installment of \$104,019.21 of principal, and continuing thereafter on each December 31, March 31, June 30 and September 30 through December 31, 1983, in installments of \$34,613.07 of principal, all installments to have interest added thereto commencing as of January 1, 1977, on the unpaid principal amount at the prime rate charged by the Seattle Branch of The Bank of California, N.A., plus one percent (1%), such interest rate to be changed on the effective date of any change in the prime rate effected by the Seattle Branch of The Bank of California, N.A. Upon sale of substantially all of the stock or assets of AC to any third party (other than a public offering of stock pursuant to Section 9 of the December 29, 1976, Asset Purchase Agreement), AC shall apply all remaining net proceeds (after the application of net proceeds as required by Section 4 of the December 29, 1976, Asset Purchase Agreement) to prepayment

of its obligations hereunder. If AC fails to timely make any payment of principal or interest due to NC hereunder or under the December 29, 1976, Asset Purchase Agreement, NC may, upon ten (10) days' written notice to AC, accelerate the due date for payment of the entire balance of principal and interest hereunder, unless the default is cured in full within such ten (10) day period.

4. Reservations of Rights and Remedies. Neither NC nor Skinner by entering into this Agreement shall in any way waive any rights and remedies which either or both may now have under either the December 29, 1976, Asset Purchase Agreement or the December 30, 1976, Stock Purchase Agreement, or otherwise, to enforce the payment of any and all sums which AC has agreed to pay hereunder. AC and Selling Shareholders agree that in addition to any other remedies which either NC or Skinner may have under either such agreement or otherwise, NC and/or Skinner shall have the right to resort to Selling Shareholders' indemnity in Section 12.02 and/or to utilize the right of setoff in Section 12.04, as set forth in the December 30, 1976, Stock Purchase Agreement to enforce and satisfy the payment of all sums which AC has by this Agreement agreed to pay hereunder.

5. Release. Subject to AC making all payments due to NC and Skinner in accordance with the provisions of this Agreement, and subject to AC making all payments due NC under the December 29, 1976, Asset Purchase Agreement, NC and Skinner do hereby release, acquit and forever discharge AC and its officers, directors and shareholders, and do hereby release, acquit and forever discharge each and all of the Selling Shareholders, of and from any and all actions, causes of action, claims, demands, damages and costs whatsoever as of April 27, 1977, whether or not known to NC or Skinner at April 27, 1977, whether based on any breach of agreement or otherwise, which either NC or Skinner, or both, may have or may claim to have or which either NC or Skinner, or both, may hereafter claim to have on account of or in any way arising out of the NC-Fabick Joint Venture, the December 29, 1976, Asset Purchase Agreement, the December 30, 1976, Stock Purchase Agreement, or the December 31, 1976, PW audit of NC, or of any information developed thereby, including all claims of Skinner and NC as set forth in the March 2, 1977, and April 27, 1977, Bogle & Gates letters. It is understood and agreed, however, that this release, acquittal and discharge shall not in any way derogate from or affect the following:

A. Indemnification in favor of NC or Skinner on claims which normally would not be reflected in any audit report of NC (except audit reports for NC's Retirement Plan and NC's Savings & Investment Plan) for the period ended December 31, 1976. By way of example, but not by way of

limitation, such unaffected claims will include claims under the December 30, 1976, Stock Purchase Agreement arising after April 27, 1977, for income or other taxes due from NC for periods up to December 31, 1976, assessments by various government agencies, claims for damages, or other claims in other form, contingent or otherwise, which concern periods up to December 31, 1976, but which are not made until after the date of this agreement. NC and Skinner represent to AC and the Selling Shareholders that to the date of this Agreement they know of no claims made against NC and/or Skinner of the nature set forth in this subparagraph which have not been disclosed to AC and the Selling Shareholders or, as to which, NC and/or Skinner have elected not to seek indemnification from AC and the Selling Shareholders. NC and Skinner represent to AC that they are aware of certain investigations which have been undertaken prior to the date of this agreement which could lead to claims being made against NC and/or Skinner for which NC and/or Skinner may ultimately seek indemnification.

B. Future performance of AC under the December 29, 1976, Asset Purchase Agreement.

Except as set forth in subparagraphs A and B of this paragraph, and subject to the full payment by AC of the amounts due under the December 29, 1976, Asset Purchase Agreement, and subject to the full payment of all amounts set forth in paragraph 3 of this Agreement, the intent, scope and purpose of this release is to constitute a full, final and complete release of all matters arising in any way out of the NC-Fabick Joint Venture, the December 29, 1976, Asset Purchase Agreement and the December 30, 1976, Stock Purchase Agreement.

6. Binding Effect. It is understood that this Agreement, including the releases herein contained, shall be binding upon and inure to the benefit of each and all of the respective parties to the Agreement, including the spouse of any particular individual Selling Shareholder, the heirs, executors, administrators and other representatives of individual Selling Shareholders and the successors and assigns of any corporate party hereto, all as may be appropriate.

7. Understanding of Agreements. Each of the parties hereto acknowledges that such party has carefully read the foregoing Agreement, including the releases contained herein, knows the contents thereof and understands the same, and that the parties have entered into this Agreement without compulsion of any sort, with the intention that all parties to this Agreement shall be legally bound hereto and each party expressly waives any claim of invalidity hereof.

8. Settlement Effort. It is understood and agreed that this document is by way of settlement of disputed claims and except as specifically agreed to by way of settlement in this Agreement, none of the parties hereto concedes the correctness of any other party's position with respect to the matters settled herein.

9. Further Documents. The parties shall execute such further documents and take such further actions as may be necessary to carry into effect the foregoing Agreement. Subject to the foregoing proviso, this Agreement contains the entire understanding between the parties with respect to the matters herein contained.

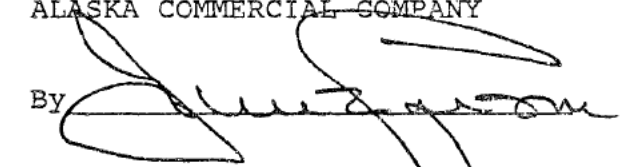
10. Counterparts. This Agreement may be executed in several duplicate originals and in counterparts, each of which may be deemed to be an original instrument but all of which together shall constitute but one instrument and only one set of rights and obligations shall arise therefrom.

11. Governing Law. This Agreement shall be governed by the laws of the State of Washington.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the date first above executed.

ALASKA COMMERCIAL COMPANY

By


Volney Richmond Jr.
Individually and as agent
for Selling Shareholders

NORTHERN COMMERCIAL COMPANY

By

SKINNER CORPORATION

By

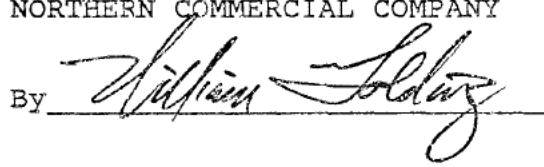


EXHIBIT A

| <u>Selling Stockholder</u> | <u>Payment of Principal Due 9/30/77</u> | <u>Payment of Interest Due 9/30/77</u> | <u>Total Payment By AC on 9/30/77</u> | <u>Payment by AC on 12/31/77</u> |
|--|---|--|---|--|
| Nell Agnes Cody | \$ 56,599.33 | | | |
| Estate of Mary Lavilla Kehrli | 34,003.14 | | | |
| John E. Larson | 39,532.46 | | | |
| Patricia McCann McAuliffe | 29,126.88 | | | |
| Earl Parsons | 16,631.50 | | | |
| Howard E. Richmond | 138,842.51 | | | |
| Howard E. Richmond, Jr. | 37,007.25 | | | |
| Polly Poe Richmond, Jr. (Polly R. Wyman) | 35,091.58 | | | |
| Polly Poe Richmond | 27,646.60 | | | |
| Volney Richmond Jr. | 114,504.80 | | | |
| Volney Richmond III | 70,226.71 | | | |
| Truman Sage | 27,167.68 | | | |
| Unit & Company | 50,634.63 | | | |
| Phyllis R. Yaw | 58,297.31 | | | |
| TOTAL | \$735,312.38 | | | |

WHEELER GREY
FRANK S. BAYLEY
RICHARD A. CLARK
RICHARD I. SAMPSON
JOHN R. TOMLINSON
WILBERT C. ANDERSON
HUGO E. OSWALD, JR.
GENE B. BRANDZEL
DEXTER A. WASHBURN
MAURICE E. SUTTON
VICTOR VAN VALIN
JOHN L. WEST

GEORGE W. STEERS
CHARLES F. VULLIET
KEVIN C. MCMAHON
CAROLYN J. HAYEK
MICHAEL E. ANDREWS
W. BRIAN MATSUYAMA
E. MICHELE MOQUIN
RUDY A. ENGLUND
RICHARD A. HOPP
NANCY A. MILLER
JOHN D. ALKIRE

JONES, GREY & BAYLEY

ATTORNEYS AT LAW

14TH FLOOR NORTON BUILDING
SEATTLE, WASHINGTON 98104
AREA CODE 206 824-0900
CABLE ADDRESS JOGRE

HARRY B. JONES, JR. - COUNSEL
RICHARD B. HOOPER - COUNSEL
ALBERT OLSEN - COUNSEL

August 18, 1977

IN REPLY REFER TO
FILE NO.

James F. Tune
Bogle & Gates
Bank of California Center
Seattle, WA 98164

RE: Skinner Corporation - Northern Commercial Company

Dear Jim:

This letter is in response to your letter of August 12, 1977, wherein you enclose six originals of the Agreement For Settlement Of Claims.

You requested that upon execution on behalf of Alaska Commercial Company and by Mr. Richmond who is signing individually and as agent for selling shareholders, that we return three of the originals to you.

Enclosed you will find three such originals.

It is our understanding from both the reading of Paragraph 2 and from our subsequent telephone conversations, that Mr. Skinner or his office will notify AC of the figures that belong in the third column caption "Payment of Interest Due 9/30/77". It would be appreciated if that information could be supplied even before September 29, because that will be an extremely "tight" period inasmuch as not only will payments to the shareholders be made by AC based on Mr. Skinner's information, but this is the period when the sale of the retail stores to CEDC Sales will occur. The tentative closing date is October 3, 1977.

Further, it is our understanding that in the event that the sum of \$1,092,805.00 does not fully pay the principal and

interest due on September 30, that Skinner Corporation will make up the difference. This is another reason why it is important to have that information, if at all possible, somewhat earlier than the September 29 date to coordinate this aspect. We realize there is the possibility of interest fluxuation that could make a difference in the amount of payment, but perhaps if we were supplied with the information about a week before September 30 on the assumption that the interest rate would not change during the remainder of the month (a possible likely assumption) then we could have some of the prepatory work done to enable checks both from AC and from Skinner, if necessary, go out in a timely fashion.

Should you have any questions on the foregoing, please let me know.

Sincerely,



Richard A. Clark
of JONES, GREY & BAYLEY

RAC:klm

Enclosure

cc: Volney Richmond, Jr.

John E. Larson

POWER OF ATTORNEY

Check appropriate box:

- ☐ Individual
☐ Partnership
☒ Corporation
☐ Sole Proprietorship

KNOW ALL MEN BY THESE PRESENTS: That, NORTHERN COMMERCIAL COMPANY
d/b/a N.C. MACHINERY CO.
(Full Name of person, partnership, or corporation, or sole proprietorship (Identify))

a corporation doing business under the laws of the State of Delaware or a
doing business as Anchorage, Alaska residing at 1110 Third Avenue, Seattle, Washington
having an office and place of business at Marvin H. Parker Customhouse Broker, Marvin H. Parker, Inc., and their
(Give full name of each agent designated)
authorized officers and employees

as a true and lawful agent and attorney of the grantor named above for and on the name,
place, and stead of said grantor from this date and in Customs District 31
and in no other name, to make, endorse, sign, declare, or swear to any entry, withdrawal,
declaration, certificate, bill of lading, or other document required by law or regulation in
connection with the importation, transportation, or exportation of any merchandise shipped or
consigned by or to said grantor; to perform any act or condition which may be required by law
or regulation in connection with such merchandise; to receive any merchandise deliverable
to said grantor;

To make endorsements on bills of lading conferring authority to make entry and collect
drawback, and to make, sign, declare, or swear to any statement, supplemental statement,
schedule, supplemental schedule, certificate of delivery, certificate of manufacture, certificate
of manufacture and delivery, abstract of manufacturing records, declaration of proprietor
on drawback entry, declaration of exporter on drawback purposes, regardless of whether
such bill of lading, sworn statement, schedule, certificate, abstract, declaration, or other
affidavit or document is intended for filing in said district or in any other customs district;

To sign, seal, and deliver for and as the act of said grantor any bond required by law or regu-
lation in connection with the entry or withdrawal of imported merchandise or merchandise
exported with or without benefit of drawback, or in connection with the entry, clearance, lading,

unloading or navigation of any vessel or other means of conveyance owned or operated by
said grantor, and any and all bonds which may be voluntarily given and accepted under
applicable laws and regulations, consignee's and owner's declarations provided for in section
485, Tariff Act of 1930, as amended, or affidavits in connection with the entry of merchandise;

To sign and swear to any document and to perform any act that may be necessary or required
by law or regulation in connection with the entering, clearing, lading, unloading, or operation
of any vessel or other means of conveyance owned or operated by said grantor;

And generally to transact at the customhouses in said district any and all customs business,
including making, signing, and filing of protests under section 514 of the Tariff Act of 1930, in
which said grantor is or may be concerned or interested and which may properly be transacted
or performed by an agent and attorney, giving to said agent and attorney full power and au-
thority to do anything whatever requisite and necessary to be done in the premises as fully
as said grantor could do if present and acting, hereby ratifying and confirming all that the said
agent and attorney shall lawfully do by virtue of these presents; the foregoing power of at-
torney to remain in full force and effect until the UNLESS of REVOKED 19
or until notice of revocation in writing is duly given to and received by the District Director of
Customs of the district aforesaid. If the donor of this power of attorney is a partnership, the
said power shall in no case have any force or effect after the expiration of 2 years from the
date of its receipt in the office of the district director of customs of the said district.

IN WITNESS WHEREOF, the said Norther Commercial Company
has caused these presents to be sealed and signed: (Signature) Thomas A. Frank
(Capacity) TREASURER (Date) 10/24/77
WITNESS: W. J. C. Norman - Secretary
(Corporate seal)

CUSTOMS FORM 5291 (Jan. 1970)

Certification on reverse must be made in all cases.

(SEE OVER)

INDIVIDUAL OR PARTNERSHIP CERTIFICATION

CITY _____
COUNTY _____ } ss:
STATE _____

On this _____ day of _____, 19____, personally appeared before me _____, personally known or sufficiently identified to me, who certifies that residing at _____ (is)(are) the individual(s) who executed the foregoing instrument and acknowledge it to be _____ free act and deed.

(Notary Public)

CORPORATE CERTIFICATION

(To be made by an officer other than the one who executes the power of attorney)
I, GARY D. NORMAN, certify that I am the SECRETARY of NORTHERN COMMERCIAL COMPANY, organized under the laws of the State of DELAWARE that THOMAS L. SPARKS, who signed this power of attorney on behalf of the donor, is the TREASURER of said corporation; and that said power of attorney was duly signed, sealed, and attested for and in behalf of said corporation by authority of its governing body as the same appears in a resolution of the Board of Directors passed at a regular meeting held on the 30th day of Dec., 1976, now in my possession or custody. I further certify that the resolution is in accordance with the articles of incorporation and bylaws of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said corporation, at the City of SEATTLE, this 24th day of

OCTOBER, 1977
X GARY D. NORMAN
(Signature)

OCTOBER 24, 1977
(Date)

The power of attorney shall be attested under the corporate seal except in cases to which Treasury Decision 34045, of January 5, 1914, is applicable. If the corporation has no corporate seal, the fact shall be stated, in which case a scroll or adhesive shall appear in the appropriate, designated place.

A customs power of attorney for a resident corporation is without power of substitution except for the purpose of executing shipper's export declarations. However, a power of attorney executed in favor of a licensed corporate customhouse broker may specify that the power of attorney is granted to the corporation to act through any of its licensed officers and any employees specifically authorized to act for such corporation by power of attorney filed by the corporation with the district director of customs.

The certificate shall be made by an officer other than the one who executes the power of attorney.

GPO : 1970 OI-374-079
GPO 945-705

Department of the Treasury
U. S. Customs Service
8.19, 17.2, C.R.; 8.19, C.M.

POWER OF ATTORNEY

Check appropriate box:

- ☐ Individual
☐ Partnership
☒ Corporation
☐ Sole Proprietorship

KNOW ALL MEN BY THESE PRESENTS: That, NORTHERN COMMERCIAL COMPANY
d/b/a N C Machinery Co. (Full Name of person, partnership, or corporation, or sole proprietorship (Identify))

a corporation doing business under the laws of the State of Delaware
doing business as Seattle, Washington residing at 2715 E. Marginal Way South, Seattle, Washington
having an office and place of business at Seattle, Washington, hereby constitutes and appoints each of the following persons
Carl H. Henrich, Traffic Operations Manager and Stanley P. Davis, Assistant Traffic Manager
(Give full name of each agent designated)

as a true and lawful agent and attorney of the grantor named above for and in the name, place, and stead of said grantor from this date and in Customs District
and in no other name, to make, endorse, sign, declare, or swear to any entry, withdrawal, declaration, certificate, bill of lading, or other document required by law or regulation in connection with the importation, transportation, or exportation of any merchandise shipped or consigned by or to said grantor; to perform any act or condition which may be required by law or regulation in connection with such merchandise; to receive any merchandise deliverable to said grantor;

To make endorsements on bills of lading conferring authority to make entry and collect drawback, and to make, sign, declare, or swear to any statement, supplemental statement, schedule, supplemental schedule, certificate of delivery, certificate of manufacture, certificate of manufacture and delivery, abstract of manufacturing records, declaration of proprietor on drawback entry, declaration of exporter on drawback entry, or any other affidavit or document which may be required by law or regulation for drawback purposes, regardless of whether such bill of lading, sworn statement, schedule, certificate, abstract, declaration, or other affidavit or document is intended for filing in said district or in any other customs district;

To sign, seal, and deliver for and as the act of said grantor any bond required by law or regulation in connection with the entry or withdrawal of imported merchandise or merchandise exported with or without benefit of drawback, or in connection with the entry, clearance, lading, unlading or navigation of any vessel or other means of conveyance

IN WITNESS WHEREOF, the said

has caused these presents to be sealed and signed: (Signature)

(Capacity) Treasurer

WITNESS:

owned or operated by said grantor, and any and all bonds which may be voluntarily given and accepted under applicable laws and regulations, consignee's and owner's declarations provided for in section 485, Tariff Act of 1930, as amended, or affidavits in connection with the entry of merchandise;

To sign and swear to any document and to perform any act that may be necessary or required by law or regulation in connection with the entering, clearing, lading, unlading, or operation of any vessel or other means of conveyance owned or operated by said grantor;

And generally to transact at the customhouses in said district any and all customs business, including making, signing, and filing of protests under section 514 of the Tariff Act of 1930, in which said grantor is or may be concerned or interested and which may properly be transacted or performed by an agent and attorney, giving to said agent and attorney full power and authority to do anything whatever requisite and necessary to be done in the premises as fully as said grantor could do if present and acting, hereby ratifying and confirming all that the said agent and attorney shall lawfully do by virtue of these presents; the foregoing power of attorney to remain in full force and effect until the UNLESS REVOKED, 19 11/4/77, or until notice of revocation in writing is duly given to and received by the District Director of Customs of the district aforesaid. If the donor of this power of attorney is a partnership, the said power shall in no case have any force or effect after the expiration of 2 years from the date of its receipt in the office of the district director of customs of the said district.

(Corporate seal)

CUSTOMS FORM 5291 (11-2-73)

Certification on reverse must be made in all cases.

(SEE OVER)

NORTHERN COMMERCIAL COMPANY
doing business as
NC MACHINERY CO.

MANAGEMENT INCENTIVE PLAN

PURPOSES:

1. To encourage the Company's success by offering incentives to those persons on whom this success most depends.
2. To offer variable cash compensation opportunity that, together with base salary, provides competitive total compensation.

ELIGIBILITY

Key members of management, as designated by the President and approved by the Chairman, will be eligible. A participant must be employed on December 31, of each year to be eligible unless prior termination was due to death, disability, or retirement. New management personnel joining the management group during the calendar year will be eligible or ineligible for a pro-rata share of a normal target bonus at the discretion of the President.

TARGET BONUS OPPORTUNITY

Each participant is assigned a target bonus opportunity based on his or her position's importance. The intent is to provide competitive total cash compensation opportunity, given the achievement of desirable profit goals.

The target bonus opportunity is expressed as a percentage of each participant's salary. This percentage varies depending on the salary grade of the participant.

The target bonus is not a guarantee. The actual bonus may be smaller or larger, depending on profit success. The target bonus is a basic building block for the incentive plan.

TARGET BONUS FUND

The sum of the target bonuses of the participants will constitute the target bonus fund (TBF). This fund will be created only when the profit objectives are achieved.

If results fall short of or exceed the objectives, the fund will be more or less than the TBF.

In no case will the fund exceed one and one-half times the TBF; if results fall short of minimum requirement, the fund could, of course, be zero.

MEASURES OF SUCCESS
FOR FUNDING PURPOSES

For 1978, the measures of Company success, for funding purposes, is pre-tax

profit achievement for the total corporation. It is contemplated, for 1979 and beyond, that NC's financial planning and control will permit incentive funding related to Branch and functional results and possibly the introduction of return on investment criteria. However, for 1978 the total corporate pre-tax profits will be the measure for all participants.

The plan's intent is to encourage operating profit. The company reserves the right to exclude the influence on profit of non-operating and non-reoccurring gains and losses.

Using this definition of success, funding of the bonus opportunity will occur as follows:

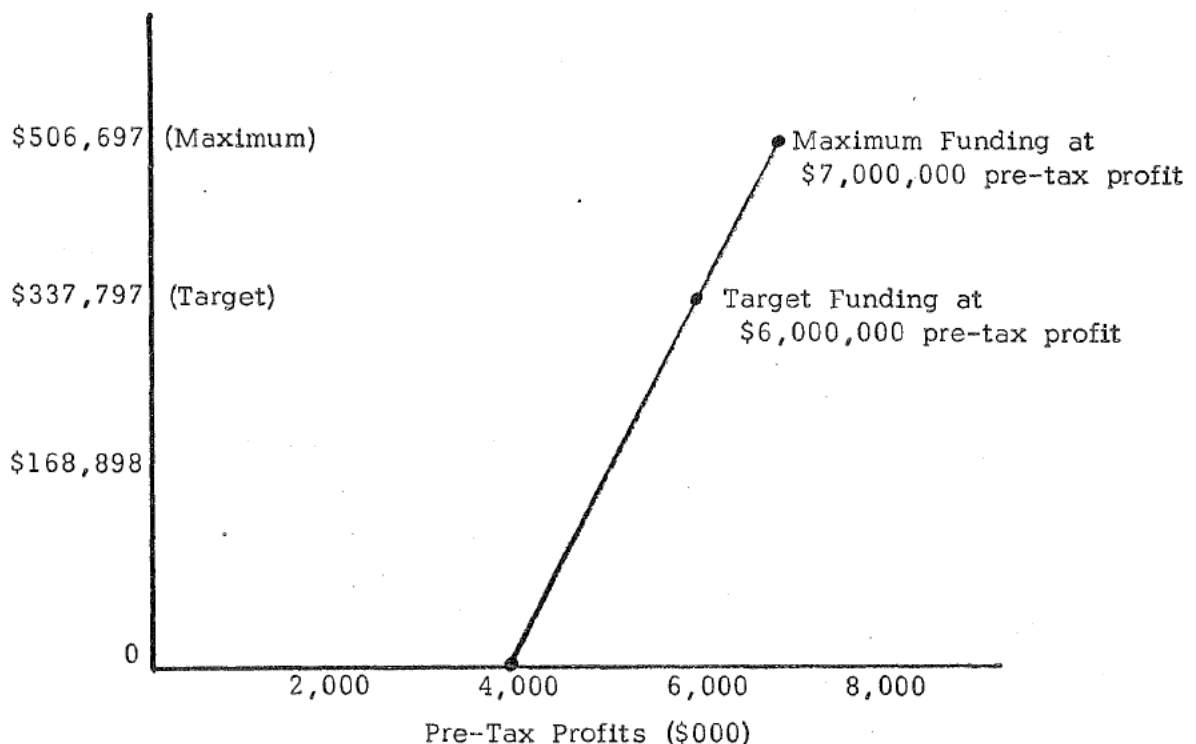
1. At the beginning of each year, incentive plan goals will be set for pre-tax profits.
2. A range of achievement will be determined. Funding will occur around this goal. For example:

| <u>Funding Level</u> | <u>Pre-Tax Profit Goal</u> <u>(\$000)</u> |
|----------------------|--|
| Maximum Fund | \$ 7,000 |
| Target Bonus Fund | 6,000 |
| Threshold* | 4,000 |

*Below which no funding occurs.

3. The formula for the entire amount of the bonus opportunity is shown below:

GRADING EXAMPLE OF BONUS FUNDING - 1978



AWARDS

At the end of the year, 100 percent of the bonus fund will be distributed to participants as soon as audited financial statements for the year have been obtained. The size of the fund will normally be more or less than the target fund.

Award decisions and executions will be made as follows:

1. Express the actual fund as a percentage of the target bonus.
2. Multiply all target bonuses by this percentage.
3. Express the result in a dollar bonus amount, which will be the dollar award for each participant.
4. All funds will be distributed.

AMENDMENTS

This plan is subject to amendment in any manner at any time by the Chairman and the President. Publication and distribution of this plan does not constitute a legal contract between the corporation and any individual, or group of individuals, for 1978 and/or for any year thereafter.

PLAN COST

The profit target of \$6,000,000 is established for 1978. The target funding will be 6 percent of pre-tax profits.

PLAN ADMINISTRATION

1. At the Beginning of Each Year

- a. The President will develop and propose the incentive plan, including:
 1. Participants;
 2. Profit goals;
 3. The Target bonus opportunity for each participant;
 4. The Target bonus fund.

The Chairman will review and approve the plan.

The President and the Company officers will then communicate the plan to participants.

2. Mid-Year Review

The President and the Chairman will review the plan and its funding formula at mid-year to insure that the funding formula continues to be appropriate. Changes will only be considered if the assumptions on which the formula were based prove unsound for some important, uncontrollable reason. Formula modifications, if any, will be made cautiously and infrequently.

3. At Year End

Funding will be determined after a determination of the pre-tax profits.

The resulting individual awards will be computed.

The Chairman will then approve awards for officers as proposed by the President.

The Company President, and the officers, will then make the remaining awards.

January 24, 1978

NORTHERN COMMERCIAL COMPANY

Shareholders of Record as of February 16, 1978

Skinner Corporation
7th Floor
Skinner Building
Seattle, Washington 98101

ANCHORAGE
BRANCH
3/7/78

| | | |
|--|--|--|
| Account Name: N C Machinery Co. (a division of Northern Commercial Co.) | | Account No: 03-20-075-2 |
| SIGNATURE OF OFFICERS AUTHORIZED TO SIGN ON ACCOUNT | | TYPE NAME AND TITLE |
| <i>Lucy S. Garcia</i> | | Lucy S. Garcia Branch Administrator |
| <i>William P. Kelly</i> | | William P. Kelly Branch Manager |
| <i>William A. Daum</i> | | William A. Daum Parts Manager |
| <i>James R. Sare</i> | | James R. Sare Service Manager |
| <i>C. E. Camenzind</i> | | Carl E. Camenzind Sales Manager |
| <i>Thomas L. Sparks</i> | | THOMAS L. SPARKS TREASURER |
| <i>Gary D. Norman</i> | | GARY D. NORMAN SECRETARY |

| | | | | | |
|---------------------------------------|----------|--------------------|-------------------------|-------------|------------|
| Type of Business | | Telephone | | | |
| Caterpillar Dealer | | (907) 278-1531 | | | |
| Corporate Address | City | State | Zip Code | | |
| P.O. Box 3562 | Seattle, | Wash. | 98124 | | |
| Statement Mailing Address | City | State | Zip Code | | |
| SAME AS ABOVE | | | | | |
| Account Formerly With (Bank & Branch) | | | | | |
| Introduced By | | Employer ID Number | | | |
| | | (b) (6) | | | |
| Date Opened | By | Initial Deposit | Date This Card Received | Date Closed | Cycle Date |
| | | \$ | | | |

DD 031 (1-72) CORPORATION

| | | |
|---------------------------|-------------|----------------|
| NO. SIGNATURES REQUIRED | SEE REVERSE | ACCOUNT NUMBER |
| SIGNATURE | | |
| <i>Lucy S. Garcia</i> | | |
| SIGNATURE | | |
| <i>William P. Kelly</i> | | |
| SIGNATURE | | |
| <i>C. E. Camenzind</i> | | |
| SIGNATURE | | |
| <i>William A. Daum</i> | | |
| SIGNATURE | | |
| <i>James R. Sare</i> | | |
| SIGNATURE | | |
| <i>Gary D. Norman</i> | | |
| SIGNATURE | | |
| <i>Thomas L. Sparks</i> | | |
| ACCOUNT TITLE (TYPEWRITE) | | CYCLE |
| | | |

F-74-300-111 (7-72) NATIONAL BANK OF ALASKA CHECK GUIDE INSERT

Account Title

Account No.

RESOLVED, that funds of this corporation be deposited in the National Bank of Alaska subject to the by-laws, regulations and practices of the bank in force from time to time and that

| | |
|------------------|-------------------|
| LUCY S. GARCIA | CARL E. CAMENZIND |
| WILLIAM P. KELLY | GARY D. NORMAN |
| WILLIAM A. DAUM | THOMAS L. SPARKS |
| JAMES R. SARE | |

be and they are hereby authorized to sign checks, drafts or other orders for and on behalf of this corporation, and that each of them be and he is hereby authorized to endorse checks, drafts, and other orders for and on behalf of this corporation any and all checks, drafts or other orders signed and/or endorsed in accordance herewith, or if presented unendorsed for deposit to this account, to supply the required endorsement.

RESOLVED FURTHER, that bank is authorized to:

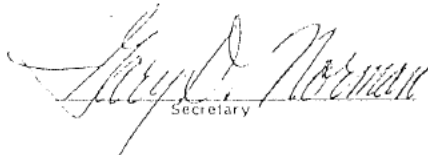
- ☒ Mail All Statements
- ☐ Hold All Statements

I HEREBY CERTIFY that the above resolution is a full, true and correct copy of a resolution duly adopted by the Board of Directors of:

NORTHERN COMMERCIAL COMPANY

at a meeting of said Board regularly held on Dec. 30, 1976
and that the signatures appearing on the reverse hereof are the signatures of the persons duly authorized to sign on behalf of said corporation in accordance with the above resolution.

WITNESS my hand and seal of said corporation.


Secretary

(SEAL)

SPARKS AND NORMAN MAY SIGN SINGLY
ON ALL CHECKS; ALL OTHERS MAY SIGN SINGLY
ON CHECKS UP TO \$1,000.00 - CHECKS OVER
THAT AMOUNT, REQUIRE A SECOND SIGNATURE.

Account Title
N C Machinery

Account No.
18-680070

RESOLVED, that funds of this corporation be deposited in the National Bank of Alaska subject to the by-laws, regulations and practices of the bank in force from time to time and that

| | |
|-------------------|----------------------------------|
| THOMAS L. SPARKS | He SPARKS & Norman may sign |
| GARY D. NORMAN | on all checks singly; others |
| BARBARA SAMS | may sign singly on checks up |
| E. TED PRICE | to \$1,000.00; over that amount, |
| ERROL D. CHAMPION | checks require second signature. |

be and they are hereby authorized to sign checks, drafts or other orders for and on behalf of this corporation, and that each of them be and he is hereby authorized to endorse checks, drafts, and other orders for and on behalf of this corporation any and all checks, drafts or other orders signed and/or endorsed in accordance herewith, or if presented unendorsed for deposit to this account, to supply the required endorsement.

RESOLVED FURTHER, that bank is authorized to:

- ☐ Mail All Statements
☐ Hold All Statements

I HEREBY CERTIFY that the above resolution is a full, true and correct copy of a resolution duly adopted by the Board of Directors of:

NORTHERN COMMERCIAL COMPANY

at a meeting of said Board regularly held on December 30, 1976
and that the signatures appearing on the reverse hereof are the signatures of the persons duly authorized to sign on behalf of said corporation in accordance with the above resolution.

WITNESS my hand and seal of said corporation.

X Gary D. Norman
Secretary

(SEAL)

| | | | |
|---|------|--|----------|
| Account Name N C Machinery Co. | | Account No. 18-680070 | |
| SIGNATURE OF OFFICERS AUTHORIZED TO SIGN ON ACCOUNT | | TYPE NAME AND TITLE | |
| <u>Thomas L. Sparks</u> | | THOMAS L. SPARKS TREASURER | |
| <u>Gary D. Norman</u> | | GARY D. NORMAN SECRETARY | |
| <u>Barbara Sams</u> | | Barbara Sams Accounting Clerk | |
| <u>E. Ted Price</u> | | E. Ted Price Administrator | |
| <u>Errol D. Champion</u> | | Errol D. Champion Southeast Area Manager | |
| | | | |
| Type of Business | | Telephone 789-0181 | |
| Corporate Address | City | State | Zip Code |
| Statement Mailing Address | City | State | Zip Code |
| Account Formerly With (Bank & Branch) | | | |




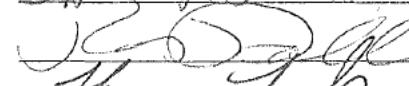
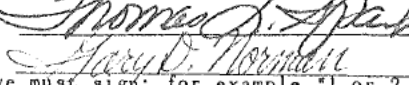
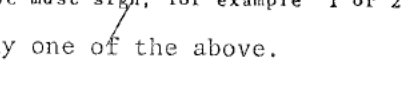
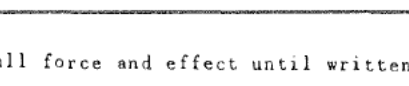
TO: Finance Department, USCD
Caterpillar Tractor Co.
Peoria, Illinois 61602

SIGNATURE AUTHORIZATION

The business of the undersigned is conducted as a Corporation (Insert type of ownership) (corporation, ~~XXXXXXXXXXXX~~ ~~XXXXXXXXXXXX~~)

The following named persons, whose authorized signatures are furnished herewith, are hereby authorized to sign notes, acceptances, assignments and contracts of whatever kind or character required to be executed by or on behalf of the undersigned in the transaction of business with Caterpillar Tractor Co.

The number and combination of signatures shall be as hereinafter specified:

| (Printed Name) | (Written Signature) | (Title or Type of Partner) |
|-----------------------|---|----------------------------|
| (1) William Golding |  | President |
| (2) Lee W. Cagle, Jr. |  | Vice President |
| (3) Fred B. Corn |  | Vice President |
| (4) James R. Johnson |  | Vice President |
| (5) Roy G. Ballinger |  | Vice President |
| (6) Thomas L. Sparks |  | Treasurer |
| (7) Gary D. Norman |  | Secretary |

Indicate below by number which of the above must sign; for example "1 or 2 or 3", "1 and 2 or 3", "any two", or whatever other combination is desired: Any one of the above.

This authorization shall remain in full force and effect until written notice of revocation or change thereof is received by Caterpillar Tractor Co.

Dated this third day of April, 1978,
at Seattle in the State or Province of Washington.

NORTHERN COMMERCIAL COMPANY, INC.

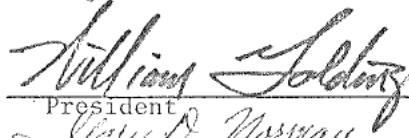
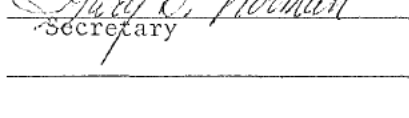
(Legal firm name of Dealer)



If a corporation, President and Secretary must sign over their title, and affix corporate seal.

If a partnership, all partners must sign.

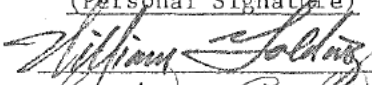



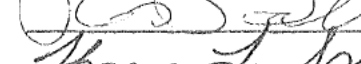

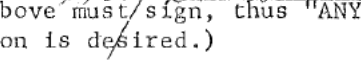
If a sole proprietorship, owner must sign.

BY  President
BY  Secretary
BY _____
BY _____

SIGNATURE AUTHORIZATION

The following named persons, whose signatures in their own handwriting are furnished herewith, are hereby authorized to sign agreements and contracts of any nature, including negotiable instruments, on behalf of the undersigned in the transaction of business with Towmotor Corporation, and are authorized to give instructions to Towmotor Corporation regarding disposition of monies due to the undersigned; and Towmotor Corporation is hereby authorized to accept their signatures.

The number and combination of signatures shall be as hereinafter specified:

| (Name - type or print) | (Personal Signature) | (Title or Position) |
|------------------------|--|---------------------|
| (1) William Golding |  | President |
| (2) Lee W. Cagle, Jr. |  | Vice President |
| (3) Fred B. Corn |  | Vice President |
| (4) James R. Johnson |  | Vice President |
| (5) Roy G. Ballinger |  | Vice President |
| (6) Thomas L. Sparks |  | Treasurer |
| (7) Gary D. Norman |  | Secretary |

(Indicate below which of the above must sign, thus "ANY ONE" or "ANY TWO" or 1 PLUS 2 OR 3" or whatever other combination is desired.)

ANY ONE OF THE ABOVE.

Towmotor Corporation (is hereby -- ~~XXXXXX~~) authorized to honor and accept cables giving instructions regarding disposition of monies due to the undersigned when such cables bear the cable name of the undersigned and otherwise purport to be sent by the undersigned, and Towmotor Corporation shall not be required to authenticate or otherwise verify such cables or the purported signatures appearing thereon. Towmotor Corporation shall not be liable to the undersigned or to any other person whomsoever for any claim arising out of its having honored or accepted such cables, and the undersigned hereby agrees to hold Towmotor Corporation harmless from and against any such claims or liabilities.

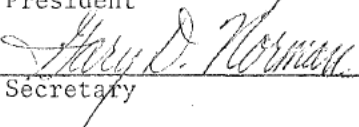
The undersigned (if a corporation, association, etc.) hereby certifies that the execution of this document has been duly authorized by its board of directors or other legally constituted governing body.

This authorization shall remain in full force and effect until written notice of revocation or change thereof, is received by Towmotor Corporation.

Dated this 3rd day of April, 19 78 at Seattle, Washington, U.S.A.
(City and Country)

NORTHERN COMMERCIAL COMPANY, INC.
(Name of Dealer)

By 
President

By 
Secretary

By _____

(Corporate Seal)

STATE OF WASHINGTON



SECRETARY OF STATE

OLYMPIA, WASHINGTON 98504

CORPORATION LICENSE

This certifies that the Corporation named hereon is licensed to do business in the State of Washington.

NORTHERN COMMERCIAL COMPANY
P O BOX 3562
SEATTLE WA 98124

ISSUE DATE 06-19-78
LICENSE NO. F023177-79
EXPIRATION DATE 06-30-79

BRUCE K. CHAPMAN
SECRETARY OF STATE

SSF 47 (1-76)



BRUCE K. CHAPMAN
SECRETARY OF STATE

COMBINED
CORPORATE LICENSE RENEWAL
AND
ANNUAL REPORT

STATE OF WASHINGTON
OFFICE OF SECRETARY OF STATE
CORPORATIONS & TRADEMARKS DIVISION
OLYMPIA, WASHINGTON 98504

AUTHORIZED CAPITAL

3,750,000.00

DEPARTMENTAL USE ONLY

CORP. NO.

F023177

CORP. ALPHA

NORTHE

TRANS. CODE

ARFIND

LOF

CP TYPE

REG

CORPORATION NAME AND MAILING ADDRESS

NORTHERN COMMERCIAL COMPANY
P O BOX 3562

SEATTLE

WA98124

NAME OF REGISTERED AGENT IN STATE OF WASHINGTON

C T CORPORATION SYSTEM

REGISTERED OFFICE ADDRESS IN STATE OF WASHINGTON

C T CORP SYSTEM
1218 3RD AVE
SEATTLE

WA98101

| FISCAL YEARS OWED | DOMESTIC LICENSE | | | ANNUAL REPORT | | TOTAL |
|---|---|---------|--------|--------------------|---------|--------|
| | FEE | PENALTY | SURTAX | FEE | PENALTY | |
| 79 | FOREIGN CORPORATIONS USE FORM ON REVERSE SIDE TO COMPUTE LICENSE FEES | | | 2.00 | | |
| | 717.40 | | 179.35 | | | |
| AMOUNT DUE IF NO DEDUCTIONS (SEE BELOW) | | | | | | 898.75 |
| CREDIT ALLOWED FOR REGULATORY FEES PAID TO THE UTILITIES AND TRANSPORTATION COMMISSION. | | | | (SEE INSTRUCTIONS) | DEDUCT | |
| ADJUSTED AMOUNT DUE | | | | | | 898.75 |

SEE FILING INSTRUCTIONS ON REVERSE SIDE

RETURN FILING BEFORE JULY 1

ANNUAL REPORT: TO BE COMPLETED BY BOTH FOREIGN AND DOMESTIC CORPORATIONS

| | | |
|---|--|------------------------------------|
| STATE OR COUNTRY OF INCORPORATION: | Delaware | |
| FOREIGN CORPORATIONS GIVE ADDRESS OF PRINCIPAL OFFICE IN STATE OR COUNTRY OF INCORPORATION: | Corporation Trust Company 100 West 10th St., Wilmington, Delaware | |
| BRIEFLY STATE NATURE OF THE BUSINESS WHICH THE CORPORATION IS CONDUCTING IN WASHINGTON: | Heavy Equipment Sales & Service | |
| NAMES AND ADDRESSES OF OFFICERS AND DIRECTORS OF THE CORPORATION: | PRESIDENT | ADDRESS |
| | William Golding | P. O. Box 3562, Seattle, WA. 98124 |
| | VICE-PRESIDENT | ADDRESS |
| | Lee Cagle Fred Corn Roy G. Ballinger | P. O. Box 3562, Seattle, WA. 98124 |
| | SECRETARY | ADDRESS |
| | Gary D. Norman | P. O. Box 3562, Seattle, WA. 98124 |
| TREASURER | ADDRESS | |
| Thomas L. Sparks | P. O. Box 3562, Seattle, WA. 98124 | |
| DIRECTORS: | ADDRESS | |
| | David E. Skinner | 1326-5th Ave., Seattle, WA. |
| | William Golding | P. O. Box 3562, Seattle, WA. 98124 |
| | Arthur Nordhoff | 1326-5th Ave., Seattle, WA. |
| Robert J. Behnke | 1326-5th Ave., Seattle, WA. | |

CERTIFICATE OF CORPORATE OFFICIAL: I CERTIFY THAT THE INFORMATION SHOWN ON THIS FORM HAS BEEN VERIFIED AND IS TRUE TO THE BEST OF MY KNOWLEDGE.

ATTES *Gary D. Norman* (SIGNATURE OF SECRETARY)

William Golding (SIGNATURE OF PRESIDENT)

SUBSCRIBED AND SWORN TO BEFORE ME ON June 6, 1978 (DATE)

NOTARY PUBLIC,

IN AND FOR THE STATE OF Washington RESIDING AT Seattle

(NOTARIAL SEAL)

INSTRUCTIONS

Review computer printed information for accuracy. All corporations must fill in Annual Report section. **Domestic corporation** license information is pre-printed on face of form. **Foreign (out-of-state) corporations** complete license fee computation below and add in Annual Report fees obtained from front of form. Mail remittance and completed form to: Office of Secretary of State, Legislative Building, Olympia, Washington 98504. **MUST BE POSTMARKED BEFORE JULY 1 IN ORDER TO AVOID LATE PAYMENT PENALTIES.**

PENALTIES: Failure to pay license fee before July 1: Minimum of \$2.50 or an amount equal to 1% of the license fee for each month delinquent, whichever is greater. Failure to file **Annual Report** by July 1, additional \$5.00 fee.

REGULATORY FEES: Fees paid to Utilities and Transportation Commission are deductible from corporate license and late penalty only, -- not from surtax or Annual Report fees.

CHANGE IN CAPITALIZATION: Contact this office for instructions if any change in capitalization, not reflected in amount shown as authorized capital, has occurred.

NON-PRODUCING NATURAL RESOURCE CORPORATIONS: Complete enclosed affidavit and return with this form. Special fee is \$10.00 per license year; if delinquent, additional \$2.50 penalty; also, include applicable annual report fees.

* FOREIGN (OUT-OF-STATE) CORPORATION FEE COMPUTATION (COMPLETE ONE FORM FOR EACH YEAR OWING)

| DIVISION OF AUTHORIZED CAPITAL | | COMPLETE ALL INFORMATION IN REGARD TO CAPITAL | | | |
|--------------------------------|-----------|---|--------------------------|-------------|--|
| NUMBER OF AUTHORIZED SHARES | CLASS | SERIES | PAR VALUE PER SHARE | TOTAL VALUE | |
| 35,000 | Common | | \$100 | \$3,500,000 | |
| 2,500 | Preferred | | \$100 | \$ 250,000 | |
| | | | | | |
| | | | | | |
| | | NON-PAR TOTAL VALUE | TOTAL PAR VALUE | \$3,750,000 | |
| | | | TOTAL NON-PAR VALUE | | |
| | | | TOTAL AUTHORIZED CAPITAL | \$3,750,000 | |

| REPORTING PERIOD | | LICENSE FEES | | | | | |
|---|--|--|-----|-----|-----|-----|-----|
| | | FROM | TO | | | | |
| | | MO. | DAY | YR. | MO. | DAY | YR. |
| | | 1 | 1 | 77 | 12 | 31 | 77 |
| 1. TOTAL GROSS REVENUE OF CORPORATION | | \$102,518,490.00 | | | | | |
| 2. GROSS REVENUE FROM WASHINGTON | | \$ 56,360,277.00 | | | | | |
| 3. PERCENTAGE OF WASHINGTON REVENUE (DIVIDE LINE 2 BY LINE 1) | | 54.98 % | | | | | |
| 4. AUTHORIZED CAPITAL OF CORPORATION | | 3,750,000.00 | | | | | |
| 5. RATED AUTHORIZED CAPITAL (MULTIPLY LINE 3 BY LINE 4) | | \$2,061,750 | | | | | |
| 6. LICENSE FEES DUE ON RATED CAPITAL* (BASED ON THE AMOUNT OF RATED AUTHORIZED CAPITAL ON LINE 5. SEE SCHEDULE AT RIGHT.) | | 717.40 | | | | | |
| 7. LATE PAYMENT PENALTY (SEE INSTRUCTIONS ABOVE) | | 1,062 x 0.2 = 212.40 | | | | | |
| 8. CREDIT ALLOWED FOR REGULATORY FEES PAID TO UTILITIES AND TRANSPORTATION COMMISSION | | \$1,105.00 for the first \$4,000,000.00 and 40¢ for each additional \$1,000.00 | | | | | |
| 9. SUB TOTAL (DEDUCT LINE 8 FROM TOTAL OF LINES 6 AND 7.) | | 717.40 | | | | | |
| 10. SURTAX (25% OF LINE 6) | | 179.35 | | | | | |
| 11. ANNUAL REPORT FEE (ADD FROM FRONT OF FORM) | | 2.00 | | | | | |
| 12. TOTAL FEES DUE | | 898.75 | | | | | |

NOTE ADDRESS CHANGES HERE

☐ MAILING ADDRESS
☐ REGISTERED OFFICE ADDRESS

ZIP CODE



CATERPILLAR TRACTOR CO.

Peoria, Illinois 61629

September 7, 1978

Mr. Gary Norman
N C MACHINERY CO.
Seattle, WA

Dear Gary:

Thank you for your letter of August 28 regarding N C's proposed changes of domicile and authorized capital structure.

Our attorney has reviewed your plans and neither he nor we in USCD have any objections.

Following reincorporation, we would appreciate your forwarding copies of appropriate legal opinions, resolutions, minutes, etc., for our files.

Many thanks, Gary, for bringing this to our attention.

Very truly yours,

Manager
Western Finance Division
U. S. Commercial Division

JFMasterson
Telephone: (309) 675-4700
mr

EXHIBIT A

AGREEMENT AND PLAN OF MERGER

Agreement and Plan of Merger dated this 29TH day of September, 1978, by and between NORTHERN COMMERCIAL COMPANY, a Delaware corporation ("NC Delaware") and NC WASHINGTON CORPORATION, a Washington corporation ("NC Washington"). (NC Delaware and NC Washington are sometimes referred to herein as the "Constituent Corporations").

WITNESSETH

WHEREAS, NC Delaware desires to change its state of incorporation from Delaware to Washington by merging with NC Washington; and

WHEREAS, NC Delaware has an authorized capital of 35,000 shares of common stock, par value one hundred dollars (\$100), 20,528 of which are issued and outstanding and 2,500 shares of preferred stock, par value one hundred dollars (\$100), none of which are issued and outstanding; and

WHEREAS, NC Washington has an authorized capital stock of 50,000 shares of common stock, par value one dollar, three (3) of which are issued and outstanding; and

WHEREAS, the respective boards of directors of NC Delaware and NC Washington have approved this Agreement and Plan of Merger and directed that it be submitted to their respective stockholders for approval and adoption;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the parties hereto agree that NC Delaware shall be merged with and into NC Washington, and that the terms and conditions of the merger and the method of carrying the merger into effect shall be as follows:

ARTICLE I

MERGER AND SURVIVING CORPORATION

1.1 Merger. Pursuant to Section 252 of the Delaware General Corporation Law and Chapter 23A.20 of the Revised Code of Washington, NC Delaware shall merge with and into NC Washington, and NC Washington shall be the surviving corporation (the "Surviving Corporation") and shall continue to exist as a corporation created under and governed by the laws of the State of Washington. Upon the effectiveness of this merger, the name of the Surviving Corporation shall be changed to Northern Commercial Company.

1.2 Articles of Incorporation. Upon the effectiveness of this merger, the Articles of Incorporation of NC Washington shall be the Articles of Incorporation of the Surviving Corporation, and are hereby amended in their entirety to read as set forth in Exhibit A hereto.

1.3 Bylaws. Upon the effectiveness of this merger, the Bylaws of NC Washington as they exist on the effective date of the merger shall be the Bylaws of the Surviving Corporation until the same be altered, amended, repealed or revoked as provided herein.

1.4 Directors. Upon the effectiveness of the merger, the Directors of NC Delaware shall be the Directors of the Surviving Corporation, and shall serve in that capacity until the next annual meeting of the shareholders of the Surviving Corporation and until their successors are elected and qualify.

1.5 Officers. Upon the effectiveness of this merger, the Officers of NC Delaware shall be the Officers of the Surviving Corporation and shall serve in their respective capacities until the Directors of the Surviving Corporation and until their successors are elected and qualify.

ARTICLE II

CONVERSION OF STOCK

The manner and basis for converting shares of the common stock in the Constituent Corporation to the Common Stock of the Surviving Corporation shall be as follows:

2.1 Common Stock of NC Delaware. Upon the effectiveness of the merger, each share of the common stock, par value one hundred dollars (\$100), of NC Delaware shall automatically be converted to one share, par value one hundred dollars (\$100) of the common stock of the Surviving Corporation. Each certificate evidencing common stock of NC Delaware shall be deemed to represent the same number of shares of the Surviving Corporation as the number of shares of NC Delaware set forth on its face, and upon the surrender of any such certificate after the effectiveness of this merger, the Surviving Corporation shall reissue in the name of the registered owner thereof a new certificate evidencing the same number of shares as the number of shares of NC Delaware evidenced by the certificate which was surrendered.

2.2 Common Stock of NC Washington. Upon the effectiveness of the merger, all issued and outstanding shares of the common stock of NC Washington shall be canceled, and said shares shall not be convertible into the stock of the Surviving Corporation.

ARTICLE III

APPROVAL, FILING AND EFFECT OF MERGER

3.1 Approval of Stockholders. This Agreement and Plan of Merger shall be submitted to the stockholders of NC Delaware and NC Washington for their approval in accordance with the applicable laws of Delaware and Washington. Upon the approval of this Agreement and Plan of Merger by said stockholders, the Officers of NC Delaware and NC Washington shall execute and file all documents which shall be necessary to consummate the merger under the applicable laws of Delaware and Washington.

3.2 Effectiveness of Merger. This merger shall be effective on September 29, 1978.

3.3 Effect of Merger. Upon the merger becoming effective, all the property, rights, privileges, franchises, patents, trademarks, licenses, registrations, and other assets of every kind and description of NC Delaware shall be transferred to, vested in and devolve upon the Surviving Corporation without further act or deed and all property, rights, and every other interest of NC Washington and NC Delaware shall be as effectively the property of the Surviving Corporation as they were of NC Washington and NC Delaware respectively. NC Delaware hereby agrees from time to time, as and when requested by the Surviving Corporation or by its successors or assigns, to execute and deliver or cause to be executed and delivered all such deeds and instruments and to take or cause to be taken such further or other action as the surviving corporation may deem necessary or desirable in order to vest in and confirm to the Surviving Corporation title to and possession of any property NC Delaware acquired or to be acquired by reason of or as a result of this merger and otherwise to carry out the intent and purposes hereof and the proper Officers and Directors of NC Delaware and the proper Officers and Directors of the Surviving Corporation are fully authorized in the name of NC Delaware or otherwise to take any and all such action.

3.4 Service of Process. The Surviving Corporation may be served with process in the State of Delaware in any proceeding for enforcement of any obligation of NC Delaware as well as for enforcement of any obligation of the Surviving Corporation arising from the merger, including any suit or other proceeding to enforce the right of any stockholder as determined in appraisal proceedings pursuant to the provisions of section 262 of Title 8 of the Delaware Code of 1953; and it does hereby irrevocably appoint the Secretary of State of Delaware as its agent to accept

service of process in any such suit or other proceeding. The address to which a copy of such process shall be mailed by the Secretary of State of Delaware is "Northern Commercial Company, 2715 East Marginal Way South, (Pier 28), Seattle, Washington, attention Mr. Gary D. Norman, until the Surviving Corporation shall have hereafter designated in writing to the said Secretary of State a different address for such purpose. Service of such process may be made by personally delivering to and leaving with the Secretary of State of Delaware duplicate copies of such process, one of which copies the Secretary of State of Delaware shall forthwith send by registered mail to the Surviving Corporation at the above address.

ARTICLE IV

TERMINATION

4.1 Termination by Boards of Directors. Notwithstanding the approval of the Agreement and Plan of Merger by the stockholders of the Constituent Corporations, this Agreement and Plan of Merger may be terminated by the action of the Board of Directors of either of the Constituent Corporations at any time prior to the filing with either of the Secretary of State of Washington or the Secretary of State of Delaware of documents in accordance with paragraph 3.1 hereof.

IN WITNESS WHEREOF, the parties to this Agreement and Plan of Merger, pursuant to the approval and authority duly given by resolution adopted by their respective boards of directors have caused these presents to be executed by the President and attested by the Secretary of each party hereto.

NORTHERN COMMERCIAL COMPANY

Attest,

Gary D. Norman
Gary D. Norman, Secretary

By

William Golding
William Golding, President

NC WASHINGTON CORPORATION

Attest:

Gary D. Norman
Gary D. Norman, Secretary

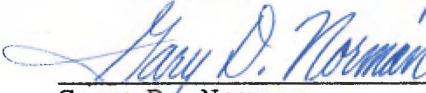
By

William Golding
William Golding, President

CERTIFICATE OF SECRETARY
OF
NORTHERN COMMERCIAL COMPANY

I, GARY D. NORMAN, Secretary of Northern Commercial Company, a corporation organized and existing under the laws of the State of Delaware, hereby certify, as such secretary, that the Agreement and Plan of Merger to which this certificate is attached, after having been first duly signed on behalf of the said corporation and having been signed on behalf of NC Washington Corporation, a corporation of the State of Washington, was duly adopted pursuant to section 228 of Title 8 of the Delaware Code of 1953, by the unanimous written consent of the stockholders holding 20,528 shares of the capital stock of the corporation same being all of the shares issued and outstanding having voting power, which Agreement and Plan of Merger was thereby adopted as the act of the stockholders of Northern Commercial Company, as the duly adopted agreement and act of the said corporation.

WITNESS my hand on this 29TH day of September,
1978.



Gary D. Norman

29th day of September, 1978.

Attest: Gary D. Norman
Gary D. Norman, Secretary

By William Golding
William Golding, President

Attest: Gary D. Norman
Gary D. Norman, Secretary

By William Golding
William Golding, President

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

John C. Thomas
Notary Public in and for the State
of Washington, residing at Seattle

EXHIBIT A

ARTICLES OF INCORPORATION
OF
NORTHERN COMMERCIAL COMPANY
A WASHINGTON CORPORATION

ARTICLE I

The name of this corporation is NORTHERN COMMERCIAL COMPANY.

ARTICLE II

This corporation has perpetual existence.

ARTICLE III

The purpose or purposes for which this corporation is organized are:

(1) To engage in the sale or leasing, maintenance and repair of industrial, agricultural and marine equipment and parts, and the provision of any and all goods and services incidental thereto.

(2) To engage in any other lawful business or activity whatsoever which may hereafter from time to time be authorized by the Board of Directors.

ARTICLE IV

The address of the registered office of the corporation is 1725 E. Marginal Way South (Pier 28), Seattle, Washington, and the name of the registered agent at such address is Gary D. Norman.

ARTICLE V

The total authorized number of par value shares of common stock of the corporation is twenty-one thousand (21,000)

shares of the par value of One Hundred Dollars (\$100.00) per share, amounting in the aggregate to Two Million One Hundred Thousand Dollars (\$2,100,000.00).

ARTICLE VI

The amount of paid-in capital with which the corporation will begin business shall be at least Five Hundred Dollars (\$500.00) and the corporation will not commence business until consideration of that value has been received for issuance of its shares.

ARTICLE VII

Shareholders of this corporation have no preemptive rights to acquire additional shares issued by the corporation.

ARTICLE VIII

The first directors of the corporation are four (4) in number and their names and addresses are:

| <u>Name</u> | <u>Address</u> |
|------------------|---|
| William Golding | P.O. Box 3562 Seattle, Washington 98124 |
| D. E. Skinner | 711 Skinner Building Seattle, Washington 98101 |
| Robert J. Behnke | 711 Skinner Building Seattle, Washington 98101 |
| Arthur Nordhoff | P.O. Box 645 Bellevue, Washington 98009 |

The first directors shall serve until the first annual meeting of shareholders and until their successors are elected and qualified.

ARTICLE IX

The name and address of the incorporator are:

Christopher J. Barry
Bogle & Gates
The Bank of California Center
Seattle, Washington 98164

ARTICLE X

At each election for directors, every shareholder entitled to vote at such election has the right to vote in person or by proxy the number of shares of stock held by him for as many persons as there are directors to be elected and for whose election he has a right to vote, but no shareholder has the right to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, nor shall any shareholder have the right to cumulate his votes by distributing such votes on the same principle among any number of such candidates.

ARTICLE XI

The Board of Directors is authorized to make, alter, amend or repeal the Bylaws of this corporation, subject to the power of the shareholders voting power to alter, amend or repeal such Bylaws.

ARTICLE XII

(1) No contracts or other transactions between the corporation and any other corporation, and no act of the corporation shall in any way be affected or invalidated by the fact that any of the directors of the corporation are pecuniarily or otherwise interested in, or are directors or officers of, such

other corporation; and

(2) Any director individually or any firm of which any director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contracts or transactions of the corporation, provided that the fact that he or such firm is so interested shall be disclosed or shall have been known to the Board of Directors or a majority thereof.

ARTICLE XIII

The corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by law, and all rights and powers conferred herein on shareholders and directors are subject to this reserved power.

EXHIBIT A

AGREEMENT AND PLAN OF MERGER

Agreement and Plan of Merger dated this 8TH day of September, 1978, by and between NORTHERN COMMERCIAL COMPANY, a Delaware corporation ("NC Delaware") and NC WASHINGTON CORPORATION, a Washington corporation ("NC Washington"). (NC Delaware and NC Washington are sometimes referred to herein as the "Constituent Corporations").

WITNESSETH

WHEREAS, NC Delaware desires to change its state of incorporation from Delaware to Washington by merging with NC Washington; and

WHEREAS, NC Delaware has an authorized capital of 35,000 shares of common stock, par value one hundred dollars (\$100), 20,528 of which are issued and outstanding and 2,500 shares of preferred stock, par value one hundred dollars (\$100), none of which are issued and outstanding; and

WHEREAS, NC Washington has an authorized capital stock of 50,000 shares of common stock, par value one dollar, three (3) of which are issued and outstanding; and

WHEREAS, the respective boards of directors of NC Delaware and NC Washington have approved this Agreement and Plan of Merger and directed that it be submitted to their respective stockholders for approval and adoption;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the parties hereto agree that NC Delaware shall be merged with and into NC Washington, and that the terms and conditions of the merger and the method of carrying the merger into effect shall be as follows:

ARTICLE I

MERGER AND SURVIVING CORPORATION

1.1 Merger. Pursuant to Section 252 of the Delaware General Corporation Law and Chapter 23A.20 of the Revised Code of Washington, NC Delaware shall merge with and into NC Washington, and NC Washington shall be the surviving corporation (the "Surviving Corporation") and shall continue to exist as a corporation created under and governed by the laws of the State of Washington. Upon the effectiveness of this merger, the name of the Surviving Corporation shall be changed to Northern Commercial Company.

1.2 Articles of Incorporation. Upon the effectiveness of this merger, the Articles of Incorporation of NC Washington shall be the Articles of Incorporation of the Surviving Corporation, and are hereby amended in their entirety to read as set forth in Exhibit A hereto.

1.3 Bylaws. Upon the effectiveness of this merger, the Bylaws of NC Washington as they exist on the effective date of the merger shall be the Bylaws of the Surviving Corporation until the same be altered, amended, repealed or revoked as provided herein.

1.4 Directors. Upon the effectiveness of the merger, the Directors of NC Delaware shall be the Directors of the Surviving Corporation, and shall serve in that capacity until the next annual meeting of the shareholders of the Surviving Corporation and until their successors are elected and qualify.

1.5 Officers. Upon the effectiveness of this merger, the Officers of NC Delaware shall be the Officers of the Surviving Corporation and shall serve in their respective capacities until the Directors of the Surviving Corporation and until their successors are elected and qualify.

ARTICLE II

CONVERSION OF STOCK

The manner and basis for converting shares of the common stock in the Constituent Corporation to the Common Stock of the Surviving Corporation shall be as follows:

2.1 Common Stock of NC Delaware. Upon the effectiveness of the merger, each share of the common stock, par value one hundred dollars (\$100), of NC Delaware shall automatically be converted to one share, par value one hundred dollars (\$100) of the common stock of the Surviving Corporation. Each certificate evidencing common stock of NC Delaware shall be deemed to represent the same number of shares of the Surviving Corporation as the number of shares of NC Delaware set forth on its face, and upon the surrender of any such certificate after the effectiveness of this merger, the Surviving Corporation shall reissue in the name of the registered owner thereof a new certificate evidencing the same number of shares as the number of shares of NC Delaware evidenced by the certificate which was surrendered.

2.2 Common Stock of NC Washington. Upon the effectiveness of the merger, all issued and outstanding shares of the common stock of NC Washington shall be canceled, and said shares shall not be convertible into the stock of the Surviving Corporation.

ARTICLE III

APPROVAL, FILING AND EFFECT OF MERGER

3.1 Approval of Stockholders. This Agreement and Plan of Merger shall be submitted to the stockholders of NC Delaware and NC Washington for their approval in accordance with the applicable laws of Delaware and Washington. Upon the approval of this Agreement and Plan of Merger by said stockholders, the Officers of NC Delaware and NC Washington shall execute and file all documents which shall be necessary to consummate the merger under the applicable laws of Delaware and Washington.

3.2 Effectiveness of Merger. This merger shall be effective on September 29, 1978.

3.3 Effect of Merger. Upon the merger becoming effective, all the property, rights, privileges, franchises, patents, trademarks, licenses, registrations, and other assets of every kind and description of NC Delaware shall be transferred to, vested in and devolve upon the Surviving Corporation without further act or deed and all property, rights, and every other interest of NC Washington and NC Delaware shall be as effectively the property of the Surviving Corporation as they were of NC Washington and NC Delaware respectively. NC Delaware hereby agrees from time to time, as and when requested by the Surviving Corporation or by its successors or assigns, to execute and deliver or cause to be executed and delivered all such deeds and instruments and to take or cause to be taken such further or other action as the surviving corporation may deem necessary or desirable in order to vest in and confirm to the Surviving Corporation title to and possession of any property NC Delaware acquired or to be acquired by reason of or as a result of this merger and otherwise to carry out the intent and purposes hereof and the proper Officers and Directors of NC Delaware and the proper Officers and Directors of the Surviving Corporation are fully authorized in the name of NC Delaware or otherwise to take any and all such action.

3.4 Service of Process. The Surviving Corporation may be served with process in the State of Delaware in any proceeding for enforcement of any obligation of NC Delaware as well as for enforcement of any obligation of the Surviving Corporation arising from the merger, including any suit or other proceeding to enforce the right of any stockholder as determined in appraisal proceedings pursuant to the provisions of section 262 of Title 8 of the Delaware Code of 1953; and it does hereby irrevocably appoint the Secretary of State of Delaware as its agent to accept

service of process in any such suit or other proceeding. The address to which a copy of such process shall be mailed by the Secretary of State of Delaware is "Northern Commercial Company, 2715 East Marginal Way South, (Pier 28), Seattle, Washington, attention Mr. Gary D. Norman, until the Surviving Corporation shall have hereafter designated in writing to the said Secretary of State a different address for such purpose. Service of such process may be made by personally delivering to and leaving with the Secretary of State of Delaware duplicate copies of such process, one of which copies the Secretary of State of Delaware shall forthwith send by registered mail to the Surviving Corporation at the above address.

ARTICLE IV

TERMINATION

4.1 Termination by Boards of Directors. Notwithstanding the approval of the Agreement and Plan of Merger by the stockholders of the Constituent Corporations, this Agreement and Plan of Merger may be terminated by the action of the Board of Directors of either of the Constituent Corporations at any time prior to the filing with either of the Secretary of State of Washington or the Secretary of State of Delaware of documents in accordance with paragraph 3.1 hereof.

IN WITNESS WHEREOF, the parties to this Agreement and Plan of Merger, pursuant to the approval and authority duly given by resolution adopted by their respective boards of directors have caused these presents to be executed by the President and attested by the Secretary of each party hereto.

NORTHERN COMMERCIAL COMPANY

Attest:

Gary D. Norman
Gary D. Norman, Secretary

By

William Golding
William Golding, President

NC WASHINGTON CORPORATION

Attest:

Gary D. Norman
Gary D. Norman, Secretary

By

William Golding
William Golding, President

CERTIFICATE OF SECRETARY
OF
NORTHERN COMMERCIAL COMPANY

I, GARY D. NORMAN, Secretary of Northern Commercial Company, a corporation organized and existing under the laws of the State of Delaware, hereby certify, as such secretary, that the Agreement and Plan of Merger to which this certificate is attached, after having been first duly signed on behalf of the said corporation and having been signed on behalf of NC Washington Corporation, a corporation of the State of Washington, was duly adopted pursuant to section 228 of Title 8 of the Delaware Code of 1953, by the unanimous written consent of the stockholders holding 20,528 shares of the capital stock of the corporation same being all of the shares issued and outstanding having voting power, which Agreement and Plan of Merger was thereby adopted as the act of the stockholders of Northern Commercial Company, as the duly adopted agreement and act of the said corporation.

WITNESS my hand on this 29TH day of September,
1978.



Gary D. Norman

THE ABOVE AGREEMENT AND PLAN OF MERGER, having been executed on behalf of each corporate party thereto, and having been adopted separately by each corporate party thereto, in accordance with the provisions of the General Corporation Law of the State of Delaware, and the Business Corporation Act of the State of Alaska, the President of each corporate party thereto does now hereby execute the said Agreement and Plan of Merger and the Secretary of each corporate party thereto does now hereby attest the said Agreement and Plan of Merger, as the respective act, deed and agreement of each of said corporations, on this 29th day of September, 1978.

Attest:

Gary D. Norman
Gary D. Norman, Secretary

NORTHERN COMMERCIAL COMPANY

By

William Golding
William Golding, President

Attest:

Gary D. Norman
Gary D. Norman, Secretary

NC WASHINGTON CORPORATION

By

William Golding
William Golding, President

STATE OF WASHINGTON)

) ss

COUNTY OF KING)

On this 29 day of September, 1978, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared William Golding, to me known to be the President of Northern Commercial Company and the President of NC Washington Corporation, the corporations that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporations, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument, that the seals affixed (if any) are the corporate seals of said corporations, and that the statements contained in said instrument are true.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

John C. Thomas
Notary Public in and for the State
of Washington, residing at Seattle

EXHIBIT A

ARTICLES OF INCORPORATION

OF

NORTHERN COMMERCIAL COMPANY

A WASHINGTON CORPORATION

ARTICLE I

The name of this corporation is NORTHERN COMMERCIAL COMPANY.

ARTICLE II

This corporation has perpetual existence.

ARTICLE III

The purpose or purposes for which this corporation is organized are:

(1) To engage in the sale or leasing, maintenance and repair of industrial, agricultural and marine equipment and parts, and the provision of any and all goods and services incidental thereto.

(2) To engage in any other lawful business or activity whatsoever which may hereafter from time to time be authorized by the Board of Directors.

ARTICLE IV

The address of the registered office of the corporation is 1725 E. Marginal Way South (Pier 28), Seattle, Washington, and the name of the registered agent at such address is Gary D. Norman.

ARTICLE V

The total authorized number of par value shares of common stock of the corporation is twenty-one thousand (21,000)

shares of the par value of One Hundred Dollars (\$100.00) per share, amounting in the aggregate to Two Million One Hundred Thousand Dollars (\$2,100,000.00).

ARTICLE VI

The amount of paid-in capital with which the corporation will begin business shall be at least Five Hundred Dollars (\$500.00) and the corporation will not commence business until consideration of that value has been received for issuance of its shares.

ARTICLE VII

Shareholders of this corporation have no preemptive rights to acquire additional shares issued by the corporation.

ARTICLE VIII

The first directors of the corporation are four (4) in number and their names and addresses are:

| <u>Name</u> | <u>Address</u> |
|------------------|---|
| William Golding | P.O. Box 3562 Seattle, Washington 98124 |
| D. E. Skinner | 711 Skinner Building Seattle, Washington 98101 |
| Robert J. Behnke | 711 Skinner Building Seattle, Washington 98101 |
| Arthur Nordhoff | P.O. Box 645 Bellevue, Washington 98009 |

The first directors shall serve until the first annual meeting of shareholders and until their successors are elected and qualified.

ARTICLE IX

The name and address of the incorporator are:

Christopher J. Barry
Bogle & Gates
The Bank of California Center
Seattle, Washington 98164

ARTICLE X

At each election for directors, every shareholder entitled to vote at such election has the right to vote in person or by proxy the number of shares of stock held by him for as many persons as there are directors to be elected and for whose election he has a right to vote, but no shareholder has the right to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, nor shall any shareholder have the right to cumulate his votes by distributing such votes on the same principle among any number of such candidates.

ARTICLE XI

The Board of Directors is authorized to make, alter, amend or repeal the Bylaws of this corporation, subject to the power of the shareholders voting power to alter, amend or repeal such Bylaws.

ARTICLE XII

(1) No contracts or other transactions between the corporation and any other corporation, and no act of the corporation shall in any way be affected or invalidated by the fact that any of the directors of the corporation are pecuniarily or otherwise interested in, or are directors or officers of, such

other corporation; and

(2) Any director individually or any firm of which any director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contracts or transactions of the corporation, provided that the fact that he or such firm is so interested shall be disclosed or shall have been known to the Board of Directors or a majority thereof.

ARTICLE XIII

The corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by law, and all rights and powers conferred herein on shareholders and directors are subject to this reserved power.

State of Alaska

Department of Commerce & Economic Development

CERTIFICATE OF WITHDRAWAL

The undersigned, as Commissioner of Commerce and Economic Development of the State of Alaska, hereby certifies that duplicate originals of an Application of **NORTHERN COMMERCIAL COMPANY**

for a Certificate of Withdrawal from this State, duly signed and verified pursuant to the provisions of the Alaska Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Commissioner of Commerce and Economic Development and by virtue of the authority vested in him by law, hereby issues this Certificate of Withdrawal to

NORTHERN COMMERCIAL COMPANY

and attaches hereto a duplicate original of Application for such Certificate.

IN TESTIMONY WHEREOF, I have hereunto set my hand
and affixed my official seal, at Juneau, the Capital, this
28th day of September A.D. 19 78



H. PHILLIP HUBBARD
COMMISSIONER OF COMMERCE
AND ECONOMIC DEVELOPMENT



STATE OF ALASKA
APPLICATION FOR
CERTIFICATE OF WITHDRAWAL

FILED FOR RECORD
STATE OF ALASKA

SEP 28 1978

Commissioner of Commerce
State of Alaska

DEPARTMENT OF COMMERCE
& ECONOMIC DEVELOPMENT

Pursuant to the provisions of Section 112 of the Alaska Business Corporation Act the undersigned corporation hereby applies for a Certificate of Withdrawal from the State of Alaska, and for that purpose submits the following statement:

1. The name of the corporation is **NORTHERN COMMERCIAL COMPANY**
2. It is incorporated under the laws of **Delaware**
3. It hereby surrenders its authority to transact business in the State of Alaska.
4. The corporation revokes the authority of its registered agent in Alaska to accept service of process, and consents that service of process in any action, suit or proceeding based upon any cause of action arising in Alaska during the time the corporation was authorized to transact business in Alaska may be thereafter made on the corporation by service thereof on the Commissioner of Commerce of the State of Alaska.
5. The post office address to which the Commissioner of Commerce may mail a copy of any process against the corporation that may be served on him is **2715 East Marginal Way South, Seattle, Washington 98134. Att: Gary Norman**
6. The aggregate number of shares which the corporation has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, as of this date is
35,000 shares of common stock par value \$100
7. The aggregate number of its issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, as of this date is
20,523 shares of common stock par value \$100
8. The amount of stated capital as of this date is \$ **2,052,800.00**

Dated **25 September**, 19**78**

NORTHERN COMMERCIAL COMPANY

Name of Corporation

By **William Golding**, President ~~XXXXXX~~

and **Gary D. Norman**, Secretary ~~XXXXXXXXXX~~

STATE OF WASHINGTON)
COUNTY OF KING) SS

I, **John C. Thomas**, a notary public, do hereby certify that on the **25** day of **September**, 19**78**, personally appeared before me **William Golding** who being by me first duly sworn, declared that he is the **President** of **NORTHERN COMMERCIAL COMPANY** that he signed the foregoing document as **President** of the corporation and that the statements therein contained are true.

John C. Thomas
My commission expires **OCT. 20, 1979**

(Filing fee—Commissioner of Commerce—\$5.00)

(ALASKA - 811 - 10/27/71)

CERTIFICATE OF MERGER

OF

NORTHERN COMMERCIAL COMPANY
(a Delaware Corporation)

INTO

NC WASHINGTON CORPORATION
(a Washington corporation)

The undersigned corporation

DOES HEREBY CERTIFY:

FIRST: That the name and state of incorporation of each of the constituent corporations of the merger is as follows:

| NAME | STATE OF INCORPORATION |
|-----------------------------|------------------------|
| Northern Commercial Company | Delaware |
| NC Washington Corporation | Washington |

SECOND: That an Agreement and Plan of Merger between the parties to the merger has been approved, adopted, certified, executed and acknowledged by each of the constituent corporations and in accordance with the requirements of subsection (c) of section 252 of the General Corporation Law of the State of Delaware, and the Business Corporation Act of the State of Washington.

THIRD: That the name of the surviving corporation of the merger is NC Washington Corporation, a Washington corporation, which name, under the Agreement and Plan of Merger, shall be changed to Northern Commercial Company on the effective date of the merger.

FOURTH: That the certificate of incorporation of the surviving corporation, with such amendments as are effected by the merger, is attached hereto as Exhibit A and by this reference incorporated herein.

FIFTH: That the executed Agreement and Plan of Merger is on file at the principal place of business of the surviving corporation. The address of said principal place of business is Pier 28, 1725 E. Marginal Way South, Seattle, Washington.

SIXTH: That a copy of the Agreement and Plan of Merger will be furnished on request and without cost to any stockholder of any constituent corporation.

SEVENTH: That NC Washington Corporation, a Washington corporation, survives the merger and may be served with process in the State of Delaware in any proceeding for enforcement of any obligation of any constituent Delaware corporation as well as for enforcement of any obligation of the surviving corporation arising from the merger, including any suit or other proceeding to enforce the right of any stockholder as determined in appraisal proceedings pursuant to the provisions of Section 262 of Title 8 of the Delaware Code of 1953, and it does hereby irrevocably appoint the Secretary of State of the State of Delaware as its agent to accept service of process in any such suit or other proceeding. The address to which a copy of such process shall be mailed by the Secretary of State of Delaware is

Pier 28
1725 E. Marginal Way S.
Seattle, Washington

Attention: Gary D. Norman

until the surviving corporation shall have hereafter designated in writing to the said Secretary of State a different address for such purpose.

EIGHTH: This Certificate of Merger shall be effective on September 29, 1978.

Dated Sept 25, 1978

NC WASHINGTON CORPORATION,
a Washington corporation

By William Golding
William Golding, President

Attest:

Gary D. Norman
Gary D. Norman, Secretary

BOOK C128 PAGE 666

ARTICLES OF INCORPORATION
OF
NORTHERN COMMERCIAL COMPANY
A WASHINGTON CORPORATION

ARTICLE I

The name of this corporation is NORTHERN COMMERCIAL COMPANY.

ARTICLE II

This corporation has perpetual existence.

ARTICLE III

The purpose or purposes for which this corporation is organized are:

(1) To engage in the sale or leasing, maintenance and repair of industrial, agricultural and marine equipment and parts, and the provision of any and all goods and services incidental thereto.

(2) To engage in any other lawful business or activity whatsoever which may hereafter from time to time be authorized by the Board of Directors.

ARTICLE IV

The address of the registered office of the corporation is 1725 E. Marginal Way South (Pier 28), Seattle, Washington, and the name of the registered agent at such address is Gary D. Norman.

ARTICLE V

The total authorized number of par value shares of common stock of the corporation is twenty-one thousand (21,000)

shares of the par value of One Hundred Dollars (\$100.00) per share, amounting in the aggregate to Two Million One Hundred Thousand Dollars (\$2,100,000.00).

ARTICLE VI

The amount of paid-in capital with which the corporation will begin business shall be at least Five Hundred Dollars (\$500.00) and the corporation will not commence business until consideration of that value has been received for issuance of its shares.

ARTICLE VII

Shareholders of this corporation have no preemptive rights to acquire additional shares issued by the corporation.

ARTICLE VIII

The first directors of the corporation are four (4) in number and their names and addresses are:

| <u>Name</u> | <u>Address</u> |
|------------------|---|
| William Golding | P.O. Box 3562 Seattle, Washington 98124 |
| D. E. Skinner | 711 Skinner Building Seattle, Washington 98101 |
| Robert J. Behnke | 711 Skinner Building Seattle, Washington 98101 |
| Arthur Nordhoff | P.O. Box 645 Bellevue, Washington 98009 |

The first directors shall serve until the first annual meeting of shareholders and until their successors are elected and qualified.

ARTICLE IX

The name and address of the incorporator are:

Christopher J. Barry
Bogle & Gates
The Bank of California Center
Seattle, Washington 98164

ARTICLE X

At each election for directors, every shareholder entitled to vote at such election has the right to vote in person or by proxy the number of shares of stock held by him for as many persons as there are directors to be elected and for whose election he has a right to vote, but no shareholder has the right to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, nor shall any shareholder have the right to cumulate his votes by distributing such votes on the same principle among any number of such candidates.

ARTICLE XI

The Board of Directors is authorized to make, alter, amend or repeal the Bylaws of this corporation, subject to the power of the shareholders voting power to alter, amend or repeal such Bylaws.

ARTICLE XII

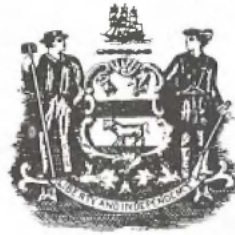
(1) No contracts or other transactions between the corporation and any other corporation, and no act of the corporation shall in any way be affected or invalidated by the fact that any of the directors of the corporation are pecuniarily or otherwise interested in, or are directors or officers of, such

other corporation; and

(2) Any director individually or any firm of which any director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contracts or transactions of the corporation, provided that the fact that he or such firm is so interested shall be disclosed or shall have been known to the Board of Directors or a majority thereof.

ARTICLE XIII

The corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by law, and all rights and powers conferred herein on shareholders and directors are subject to this reserved power.



BOOK C128 PAGE 670

State of DELAWARE

Office of SECRETARY OF STATE

*I, Glenn C. Kenton Secretary of State of the State of Delaware,
do hereby certify that the above and foregoing is a true and correct copy of*

Certificate of Merger of the "NORTHERN COMMERCIAL COMPANY", a corporation organized and existing under the laws of the State of Delaware, merging with and into the "NC Washington Corporation", a corporation organized and existing under the laws of the State of Washington, under the name of "NORTHERN COMMERCIAL COMPANY", as received and filed in this office the twenty-ninth day of September, A.D. 1978, at 9 o'clock A.M.

And I do hereby further certify that the aforesaid Corporation shall be governed by the laws of the State of Washington.

In Testimony Whereof, *I have hereunto set my hand
and official seal at Dover this* twenty-ninth *day*
of September *in the year of our Lord*
one thousand nine hundred and seventy-eight



Glenn C. Kenton, Secretary of State

FORM 121

REC'D FOR RECORD

Oct. 25 1978 LEO J. DUGAN, JR. RECORDER

State of Delaware

New Castle County

ss,

I, Leo J. Dugan, Jr.

Recorder of

Deeds for New Castle County, Delaware, do hereby certify that Certified Copy of Certificate of Merger of the "NORTHERN COMMERCIAL COMPANY" a corporation organized and existing under the laws of the State of Delaware, merging with and into the "NC Washington Corporation", a corporation organized and existing under the laws of the State of Washington, under the name of "NORTHERN COMMERCIAL COMPANY"

was received for record in this office on October 25, 1978

and the same appears of record in the Recorder's Office for said County.

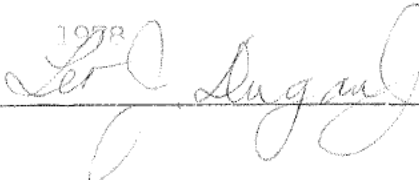
Witness my hand and Official Seal, this

Twenty-Fifth

day of

October

A. D. 1978


Recorder.

Boyle & Gates
The Ball of Calif. Center
Seattle, Washington
98164

RECEIVED FOR RECORD

OCT 24 1978

LEO J. DUGAN, Jr., Recorder

ss^{as} pd

845759

SECRETARY OF STATE
DOVER, DELAWARE

20-05-78-01-07

Ded.

LAW OFFICES
BOGLE & GATES

ROBERT W. GRAHAM
CHARLES F. OSBORN
MAX KAMINOFF
ROBERT V. HOLLAND
J. TYLER HULL
ARTHUR G. GRUNKE
RONALD E. MCKINSTRY
EDWARD C. BIELE
RICHARD S. SPRAGUE
IRWIN L. TREIGER
PAUL W. STEERE
ROBERT A. STEWART
DONALD L. JOHNSON
DON PAUL BADDLEY
PETER D. BYRNES
GERHARDT MORRISON
JOHN T. PIPER
THOMAS J. McKEY
EDWARD G. LOWRY III
JOHN P. SULLIVAN
DUSTIN C. MCCREARY
RONALD T. SCHAPS
MIKE LILES, JR.
WILLIAM L. PARKER
DAN P. HUNGATE
JOHN C. COUGHENOUR
PETER M. ANDERSON

DELBERT D. MILLER
ROBERT D. KAPLAN
DAVID M. SALENTINE
DALE B. RAMERMAN
E. McDUFF ARCHIBALD
RICHARD M. CLINTON
MICHAEL S. COURTNAGE
KARL J. EGE
MICHAEL W. DUNDY
CHARLES R. BLUMENFELD
JAMES A. SMITH, JR.
THOMAS C. GORES
KIMBERLY W. OSENBAUGH
JOHN F. BOESPFLUG, JR.
FREDERICK T. RASMUSSEN
DEAN A. MESSMER
JAMES F. TUNE
THADDAS L. ALSTON
SPENCER HALL, JR.
ARTHUR C. CLARLIN
ROBERT C. GRAYSON
D. MICHAEL YOUNG
J. PETER SHAPIRO
KELLY P. CORR
ELAINE L. SPENCER
SUZANNE A. SMITH
GUY P. MICHELSON

CHRISTOPHER J. BARRY
STEPHEN J. SIRIANNI
SANDRA R. CRIBBS
JAMES M. JERGE
RICHARD A. BERSIN
WILLIAM E. VAN VALKENBERG
RICHARD A. MONTGOMERY
LINDA B. EASON
PATRICIA H. CHAR
STEPHEN L. ROTH
RICHARD A. ALCORN
GEORGE C. ALLEN
CHRIS ROBERT YOUTZ
MARY L. GAUDIO
MICHAEL E. CAVANAUGH
LINDA E. F. LACH
TERRENCE P. MURPHY
GREGORY J. TRIPP

Counsel
STANLEY B. LONG
EDWARD G. DOBBS
FRANK L. MECHEM
ORLO B. KELLOGG
THOMAS L. MORROW
M. BAYARD CRUTCHER

THE BANK OF CALIFORNIA CENTER
SEATTLE, WASHINGTON 98164

CABLE "BOGLE SEATTLE"
(206) 682-5151 TELEX: 32-1087

October 23, 1978

Mr. Gary Norman
Northern Commercial Company
2715 E. Marginal Way S.
Seattle, Washington 98134

Re: Northern Commercial Company -
Change of Domicile

Dear Gary:

Enclosed is a receipt for the payment by Northern Commercial Company of its 1978 Delaware franchise tax. It was necessary to pay this tax in order to complete the change of domicile.

Best regards.

Very truly yours,

BOGLE & GATES


Christopher J. Barry

Enclosure

cc: Mr. Thomas L. Sparks
James F. Tune, Esq.

STATE OF DELAWARE
STATEMENT OF FRANCHISE TAX DUE
NOTICE

CHECKS SHOULD BE MADE PAYABLE TO: SECRETARY OF STATE OF DELAWARE AND
SHOULD BE MAILED TO — DIVISION OF CORPORATIONS, FRANCHISE TAX SECTION,
P.O. BOX 898, DOVER, DELAWARE 19901.

NORTHERN COMMERCIAL COMPANY 3383-21

SEPTEMBER 29, 1978

merged with and into NC Washington Corporation (Washington Corp.)
under name of NORTHERN COMMERCIAL COMPANY

REGISTERED AGENT

FILE NUM.

CORP. TR. CO.

PAID

| AUTHORIZED SHARE PAR | | NO. PAR. | | NO. | | NO. | |
|----------------------|------------------|-------------------|------------------------|---------------------|-------------|--------------|--------|
| YEAR | FRANCHISE TAX | REPORT PENALTY | CUMULATIVE INTEREST | PREVIOUS BALANCE | PREPAID TAX | TOTAL DUE | |
| 1977 | PAID | | | | | | |
| 1978 | DISS. 10-15-78 | | | | | (85) | 113.13 |
| | | | | | | | 113.13 |

ALL TAXES NOT PAID BEFORE MARCH 1ST ARE LIABLE TO INTEREST PENALTY: OF ONE PER CENTUM OF AMOUNT PER MONTH
FROM SAID MARCH 1ST, UNTIL DATE OF PAYMENT. THIS PENALTY SHOULD BE INCLUDED WHEN MAILING YOUR REMITTANCE.
RECEIPT WILL NOT BE ISSUED. FILE NUMBER SHOWN ABOVE SHOULD APPEAR ON YOUR CHECK.

PLEASE RETAIN THIS COPY FOR YOUR RECORDS

pw

RESIGNATION OF REGISTERED AGENT UPON WHOM PROCESS MAY BE SERVED

Secretary of State
Olympia,
Washington

Gentlemen:

Please take notice that the undersigned hereby resigns as Registered Agent upon whom process may be served in WASHINGTON for NORTHERN COMMERCIAL COMPANY, a corporation organized under the laws of the state of DELAWARE.

IN WITNESS WHEREOF, the undersigned corporation has caused this notice to be executed in its name by its Assistant Secretary, this 16th day of MARCH, 19 79.

C T CORPORATION SYSTEM
(AGENT)

ASSISTANT SECRETARY

filed
4-11-79

WASH.

C T CORPORATION SYSTEM



Associated with The Corporation Trust Company
277 PARK AVENUE, NEW YORK, N. Y. 10017 • (212) 826-1810

May 9, 1979

RE: NORTHERN COMMERCIAL COMPANY

Resignation of agent for service of process in WASHINGTON

Northern Commercial Company
P.O. Box 3562
Seattle, Wash. 98124

Att: Gary D. Norman, Secy.

Gentlemen:

Representation for the above company in the state indicated was recently discontinued from our records.

Enclosed for your file is a copy of the statutory agent's resignation which has been filed with the appropriate state official.

Very truly yours,

C T CORPORATION SYSTEM

Mary G. Murray
Assistant Secretary

MGM: rm

Enclosure

cc to: Bogle & Gates
Bank of California Center
Suite 21
Seattle, Wash. 98164



STATE OF WASHINGTON | DEPARTMENT OF STATE

I, **BRUCE K. CHAPMAN**, Secretary of State of the State of Washington and custodian of its seal, hereby certify that according to the records on file in my office the annexed is a true and correct copy of Articles of Merger between NC WASHINGTON CORPORATION, a Washington corporation, and NORTHERN COMMERCIAL COMPANY, a Delaware corporation, whereby NC WASHINGTON CORPORATION is the surviving corporation under the name NORTHERN COMMERCIAL COMPANY, as received and filed in this office on September 29, 1978.

In witness whereof I have signed and have affixed the seal of the State of Washington to this certificate at Olympia, the State Capitol,

September 29, 1978

BRUCE K. CHAPMAN
SECRETARY OF STATE

FILED

SEP 29 1978

SECRETARY OF STATE
STATE OF WASHINGTON

ARTICLES OF MERGER

OF

NORTHERN COMMERCIAL COMPANY, A DELAWARE CORPORATION

INTO

NC WASHINGTON CORPORATION, A WASHINGTON CORPORATION

Pursuant to the provisions of RCW 23A.20.040 and RCW 23A.20.070 of the Washington Business Corporation Act, the undersigned domestic and foreign corporations adopt the following Articles of Merger for the purpose of merging one into the other:

FIRST: The names of the undersigned corporations and the states under the laws of which they are respectively organized are:

| <u>Name of Corporation</u> | <u>State</u> |
|-----------------------------|--------------|
| Northern Commercial Company | Delaware |
| NC Washington Corporation | Washington |

SECOND: The laws of the state under which the foreign corporation is organized permits such merger.

THIRD: The name of the surviving corporation is NC Washington Corporation (which name under the Agreement and Plan of Merger attached hereto as Exhibit A is being changed to "Northern Commercial Company"), and it is organized under the laws of the State of Washington.

FOURTH: The Agreement and Plan of Merger attached hereto as Exhibit A was approved by the undersigned domestic corporation in the manner prescribed by the Washington Business Corporation Act, and was approved by the undersigned foreign corporation in the manner prescribed by the laws of the State of Delaware.

FIFTH: As to each of the undersigned corporations, the number of shares of capital stock outstanding which are entitled to vote on the Agreement and Plan of Merger is as follows:

| <u>Corporation</u> | <u>Number of Shares Outstanding</u> |
|---|---|
| Northern Commercial Company (Delaware) | 20,528 |
| NC Washington Corporation (Washington) | 3 |

As to each of the undersigned corporations, there are no shares of stock outstanding of any class which are entitled to vote as a class on the Agreement and Plan of Merger.

SIXTH: As to each of the undersigned corporations, the total number of shares voted for and against the Agreement and Plan of Merger are as follows:

| <u>Corporation</u> | <u>Total Voted For</u> | <u>Total Voted Against</u> |
|---|--------------------------------|------------------------------------|
| NC Washington Corporation (Delaware) | 20,528 | 0 |
| Northern Commercial Company, Inc. (Washington) | 3 | 0 |

In witness whereof, the undersigned corporations have executed these Articles of Merger this 25 day of September, 1978.

NORTHERN COMMERCIAL COMPANY
(A Delaware corporation)

By William Golding
William Golding, President

By Gary D. Norman
Gary D. Norman, Secretary

NC WASHINGTON CORPORATION,
(a Washington corporation)

By William Golding
William Golding, President


By Gary D. Norman
Gary D. Norman, Secretary

STATE OF WASHINGTON)
) SS
COUNTY OF KING)

I, William Golding, being first duly sworn, verify that I am the President of Northern Commercial Company, a Delaware corporation, that I signed the foregoing document in my capacity as President, that I have read the foregoing document and that the statements contained therein are true and correct.

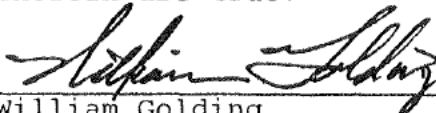

William Golding

SUBSCRIBED AND SWORN TO before me this 25 day of September, 1978.


Notary Public in and for the State
of Washington, residing at Seattle

STATE OF WASHINGTON)
) SS
COUNTY OF KING)

I, William Golding, being first duly sworn, verify that I am the President of NC Washington Corporation, a Washington corporation, that I signed the foregoing document in my capacity as President, that I have read the foregoing document, and know that the statements contained therein are true.


William Golding

SUBSCRIBED AND SWORN TO before me this 25 day of September, 1978.



Notary Public in and for the State
of Washington, residing at Seattle

EXHIBIT A

AGREEMENT AND PLAN OF MERGER

Agreement and Plan of Merger dated this 8th day of September, 1978, by and between NORTHERN COMMERCIAL COMPANY, a Delaware corporation ("NC Delaware") and NC WASHINGTON CORPORATION, a Washington corporation ("NC Washington"). (NC Delaware and NC Washington are sometimes referred to herein as the "Constituent Corporations").

WITNESSETH

WHEREAS, NC Delaware desires to change its state of incorporation from Delaware to Washington by merging with NC Washington; and

WHEREAS, NC Delaware has an authorized capital of 35,000 shares of common stock, par value one hundred dollars (\$100), 20,528 of which are issued and outstanding and 2,500 shares of preferred stock, par value one hundred dollars (\$100), none of which are issued and outstanding; and

WHEREAS, NC Washington has an authorized capital stock of 50,000 shares of common stock, par value one dollar, three (3) of which are issued and outstanding; and

WHEREAS, the respective boards of directors of NC Delaware and NC Washington have approved this Agreement and Plan of Merger and directed that it be submitted to their respective stockholders for approval and adoption;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the parties hereto agree that NC Delaware shall be merged with and into NC Washington, and that the terms and conditions of the merger and the method of carrying the merger into effect shall be as follows:

ARTICLE I

MERGER AND SURVIVING CORPORATION

1.1 Merger. Pursuant to Section 252 of the Delaware General Corporation Law and Chapter 23A.20 of the Revised Code of Washington, NC Delaware shall merge with and into NC Washington, and NC Washington shall be the surviving corporation (the "Surviving Corporation") and shall continue to exist as a corporation created under and governed by the laws of the State of Washington. Upon the effectiveness of this merger, the name of the Surviving Corporation shall be changed to Northern Commercial Company.

1.2 Articles of Incorporation. Upon the effectiveness of this merger, the Articles of Incorporation of NC Washington shall be the Articles of Incorporation of the Surviving Corporation, and are hereby amended in their entirety to read as set forth in Exhibit A hereto.

1.3 Bylaws. Upon the effectiveness of this merger, the Bylaws of NC Washington as they exist on the effective date of the merger shall be the Bylaws of the Surviving Corporation until the same be altered, amended, repealed or revoked as provided herein.

1.4 Directors. Upon the effectiveness of the merger, the Directors of NC Delaware shall be the Directors of the Surviving Corporation, and shall serve in that capacity until the next annual meeting of the shareholders of the Surviving Corporation and until their successors are elected and qualify.

1.5 Officers. Upon the effectiveness of this merger, the Officers of NC Delaware shall be the Officers of the Surviving Corporation and shall serve in their respective capacities until the Directors of the Surviving Corporation and until their successors are elected and qualify.

ARTICLE II

CONVERSION OF STOCK

The manner and basis for converting shares of the common stock in the Constituent Corporation to the Common Stock of the Surviving Corporation shall be as follows:

2.1 Common Stock of NC Delaware. Upon the effectiveness of the merger, each share of the common stock, par value one hundred dollars (\$100), of NC Delaware shall automatically be converted to one share, par value one hundred dollars (\$100) of the common stock of the Surviving Corporation. Each certificate evidencing common stock of NC Delaware shall be deemed to represent the same number of shares of the Surviving Corporation as the number of shares of NC Delaware set forth on its face, and upon the surrender of any such certificate after the effectiveness of this merger, the Surviving Corporation shall reissue in the name of the registered owner thereof a new certificate evidencing the same number of shares as the number of shares of NC Delaware evidenced by the certificate which was surrendered.

2.2 Common Stock of NC Washington. Upon the effectiveness of the merger, all issued and outstanding shares of the common stock of NC Washington shall be canceled, and said shares shall not be convertible into the stock of the Surviving Corporation.

ARTICLE III

APPROVAL, FILING AND EFFECT OF MERGER

3.1 Approval of Stockholders. This Agreement and Plan of Merger shall be submitted to the stockholders of NC Delaware and NC Washington for their approval in accordance with the applicable laws of Delaware and Washington. Upon the approval of this Agreement and Plan of Merger by said stockholders, the Officers of NC Delaware and NC Washington shall execute and file all documents which shall be necessary to consummate the merger under the applicable laws of Delaware and Washington.

3.2 Effectiveness of Merger. This merger shall be effective on September 20, 1978.

3.3 Effect of Merger. Upon the merger becoming effective, all the property, rights, privileges, franchises, patents, trademarks, licenses, registrations, and other assets of every kind and description of NC Delaware shall be transferred to, vested in and devolve upon the Surviving Corporation without further act or deed and all property, rights, and every other interest of NC Washington and NC Delaware shall be as effectively the property of the Surviving Corporation as they were of NC Washington and NC Delaware respectively. NC Delaware hereby agrees from time to time, as and when requested by the Surviving Corporation or by its successors or assigns, to execute and deliver or cause to be executed and delivered all such deeds and instruments and to take or cause to be taken such further or other action as the surviving corporation may deem necessary or desirable in order to vest in and confirm to the Surviving Corporation title to and possession of any property NC Delaware acquired or to be acquired by reason of or as a result of this merger and otherwise to carry out the intent and purposes hereof and the proper Officers and Directors of NC Delaware and the proper Officers and Directors of the Surviving Corporation are fully authorized in the name of NC Delaware or otherwise to take any and all such action.

3.4 Service of Process. The Surviving Corporation may be served with process in the State of Delaware in any proceeding for enforcement of any obligation of NC Delaware as well as for enforcement of any obligation of the Surviving Corporation arising from the merger, including any suit or other proceeding to enforce the right of any stockholder as determined in appraisal proceedings pursuant to the provisions of section 262 of Title 8 of the Delaware Code of 1953; and it does hereby irrevocably appoint the Secretary of State of Delaware as its agent to accept

service of process in any such suit or other proceeding. The address to which a copy of such process shall be mailed by the Secretary of State of Delaware is "Northern Commercial Company, 2715 East Marginal Way South, (Pier 28), Seattle, Washington, attention Mr. Gary D. Norman, until the Surviving Corporation shall have hereafter designated in writing to the said Secretary of State a different address for such purpose. Service of such process may be made by personally delivering to and leaving with the Secretary of State of Delaware duplicate copies of such process, one of which copies the Secretary of State of Delaware shall forthwith send by registered mail to the Surviving Corporation at the above address.

ARTICLE IV
TERMINATION

4.1 Termination by Boards of Directors. Notwithstanding the approval of the Agreement and Plan of Merger by the stockholders of the Constituent Corporations, this Agreement and Plan of Merger may be terminated by the action of the Board of Directors of either of the Constituent Corporations at any time prior to the filing with either of the Secretary of State of Washington or the Secretary of State of Delaware of documents in accordance with paragraph 3.1 hereof.

IN WITNESS WHEREOF, the parties to this Agreement and Plan of Merger, pursuant to the approval and authority duly given by resolution adopted by their respective boards of directors have caused these presents to be executed by the President and attested by the Secretary of each party hereto.

Attest:

Gary D. Norman
Gary D. Norman, Secretary

NORTHERN COMMERCIAL COMPANY

By

William Golding
William Golding, President

Attest:

Gary D. Norman
Gary D. Norman, Secretary

NC WASHINGTON CORPORATION

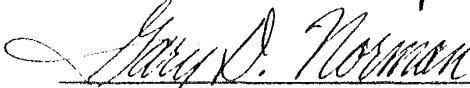
By

William Golding
William Golding, President

CERTIFICATE OF SECRETARY
OF
NORTHERN COMMERCIAL COMPANY

I, GARY D. NORMAN, Secretary of Northern Commercial Company, a corporation organized and existing under the laws of the State of Delaware, hereby certify, as such secretary, that the Agreement and Plan of Merger to which this certificate is attached, after having been first duly signed on behalf of the said corporation and having been signed on behalf of NC Washington Corporation, a corporation of the State of Washington, was duly adopted pursuant to section 228 of Title 8 of the Delaware Code of 1953, by the unanimous written consent of the stockholders holding 20,528 shares of the capital stock of the corporation same being all of the shares issued and outstanding having voting power, which Agreement and Plan of Merger was thereby adopted as the act of the stockholders of Northern Commercial Company, as the duly adopted agreement and act of the said corporation.

WITNESS my hand on this 25th day of September,
1978.



Gary D. Norman

25th day of September

By William Golding
William Golding, President

Gary D. Norman, Secretary

By William Golding
William Golding, President

Gary D. Norman, Secretary

On this 25 day of September, 1978, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared William Golding, to me known to be the President of Northern Commercial Company and the President of NC Washington Corporation, the corporations that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporations, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument, that the seals affixed (if any) are the corporate seals of said corporations, and that the statements contained in said instrument are true.

John C. Thomas
Notary Public in and for the State
of Washington, residing at Seattle

EXHIBIT "A"

ARTICLES OF INCORPORATION
OF
NORTHERN COMMERCIAL COMPANY
A WASHINGTON CORPORATION

ARTICLE I

The name of this corporation is NORTHERN COMMERCIAL COMPANY.

ARTICLE II

This corporation has perpetual existence.

ARTICLE III

The purpose or purposes for which this corporation is organized are:

(1) To engage in the sale or leasing, maintenance and repair of industrial, agricultural and marine equipment and parts, and the provision of any and all goods and services incidental thereto.

(2) To engage in any other lawful business or activity whatsoever which may hereafter from time to time be authorized by the Board of Directors.

ARTICLE IV

The address of the registered office of the corporation is 1725 E. Marginal Way South (Pier 28), Seattle, Washington, and the name of the registered agent at such address is Gary D. Norman.

ARTICLE V

The total authorized number of par value shares of common stock of the corporation is twenty-one thousand (21,000)

shares of the par value of One Hundred Dollars (\$100.00) per share, amounting in the aggregate to Two Million One Hundred Thousand Dollars (\$2,100,000.00).

ARTICLE VI

The amount of paid-in capital with which the corporation will begin business shall be at least Five Hundred Dollars (\$500.00) and the corporation will not commence business until consideration of that value has been received for issuance of its shares.

ARTICLE VII

Shareholders of this corporation have no preemptive rights to acquire additional shares issued by the corporation.

ARTICLE VIII

The first directors of the corporation are four (4) in number and their names and addresses are:

| <u>Name</u> | <u>Address</u> |
|------------------|---|
| William Golding | P.O. Box 3562 Seattle, Washington 98124 |
| D. E. Skinner | 711 Skinner Building Seattle, Washington 98101 |
| Robert J. Behnke | 711 Skinner Building Seattle, Washington 98101 |
| Arthur Nordhoff | P.O. Box 645 Bellevue, Washington 98009 |

The first directors shall serve until the first annual meeting of shareholders and until their successors are elected and qualified.

ARTICLE IX

The name and address of the incorporator are:

Christopher J. Barry
Bogle & Gates
The Bank of California Center
Seattle, Washington 98164

ARTICLE X

At each election for directors, every shareholder entitled to vote at such election has the right to vote in person or by proxy the number of shares of stock held by him for as many persons as there are directors to be elected and for whose election he has a right to vote, but no shareholder has the right to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, nor shall any shareholder have the right to cumulate his votes by distributing such votes on the same principle among any number of such candidates.

ARTICLE XI

The Board of Directors is authorized to make, alter, amend or repeal the Bylaws of this corporation, subject to the power of the shareholders voting power to alter, amend or repeal such Bylaws.

ARTICLE XII

(1) No contracts or other transactions between the corporation and any other corporation, and no act of the corporation shall in any way be affected or invalidated by the fact that any of the directors of the corporation are pecuniarily or otherwise interested in, or are directors or officers of, such

other corporation; and

(2) Any director individually or any firm of which any director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contracts or transactions of the corporation, provided that the fact that he or such firm is so interested shall be disclosed or shall have been known to the Board of Directors or a majority thereof.

ARTICLE XIII

The corporation⁴ reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by law, and all rights and powers conferred herein on shareholders and directors are subject to this reserved power.

LAW OFFICES
BOGLE & GATES

ROBERT W. GRAHAM
CHARLES F. OSBORN
MAX KAMINOFF
ROBERT V. HOLLAND
J. TYLER HULL
ARTHUR G. GRUNKE
RONALD E. MCKINSTRY
EDWARD C. BIELE
RICHARD S. SPRAGUE
IRWIN L. TREIGER
PAUL W. STEERE
ROBERT A. STEWART
DONALD L. JOHNSON
DON PAUL BADGLEY
PETER D. BYRNES
GERHARDT MORRISON
JOHN T. PIPER
THOMAS J. MCKEY
EDWARD S. LOWRY III
JOHN P. SULLIVAN
DUSTIN C. MCCREARY
RONALD T. SCHAPS
MIKE LILES, JR.
WILLIAM L. PARKER
DAN P. HUNGATE

JOHN C. COUGHENOUR
PETER M. ANDERSON
DELBERT D. MILLER
ROBERT D. KAPLAN
DAVID M. SALENTINE
DALE B. RAHERMAN
E. McDUFF ARCHIBALD
JAY H. ZULAUF
RICHARD M. CLINTON
PHILIP K. SWEIGERT
MICHAEL S. COURTNAGE
KARL J. EGE
DON J. VOGT
MICHAEL W. DUNDY
CHARLES R. BLUMENFELD
JAMES A. SMITH, JR.
THOMAS C. GORES
KIMBERLY W. OSENBAUGH
JOHN F. BOESPFLUG, JR.
FREDERICK T. RASMUSSEN
DAVID B. ANDERSON
DEAN A. MESSMER
JAMES F. TUNE
KIRK A. DUBLIN
THADDAS L. ALSTON

DONALD E. BROWN
SPENCER HALL, JR.
ARTHUR C. CLAFLIN
ERNEST E. HERGES
ROBERT C. GRAYSON
D. MICHAEL YOUNG
J. PETER SHAPIRO
KELLY P. CORR
ELAINE L. SPENCER
SUZANNE A. SMITH
GUY P. MICHELSON
CHRISTOPHER J. BARRY
STEPHEN J. SIRIANNI
SANDRA R. CRIBBS
JAMES M. JERGE
RICHARD A. BERSIN

Counsel
STANLEY B. LONG
EDWARD G. DOBRIN
FRANK L. MECHAM
ORLO B. KELLOGG
THOMAS L. MORROW
M. BAYARD CRUTCHER

THE BANK OF CALIFORNIA CENTER
SEATTLE, WASHINGTON 98164

CABLE "BOGLE SEATTLE"
(206) 682-5151 TELEX: 32-1087

January 3, 1977

Northern Commercial Co.
17025 West Valley Highway
Tukwila, WA

Attention: Gary Norman

Re: Skinner Corporation - Northern
Commercial Company Acquisition

Dear Gary:

Enclosed please find the following:

1. One signed copy of the written consent of the majority shareholder of Northern Commercial Company dated January 3, 1977 adopting shareholders' resolutions.
2. One signed copy of your Certificate certifying resolutions of the Shareholders of Northern Commercial Company, adopted January 3, 1977, with the resolutions attached.
3. One signed copy of your Certificate certifying the resolutions of the board of directors of Northern Commercial Company adopted on December 30, 1976, with the resolutions attached.
4. Twenty copies of the banking resolution adopted by the board of directors of Northern Commercial Company on December 30, 1976.

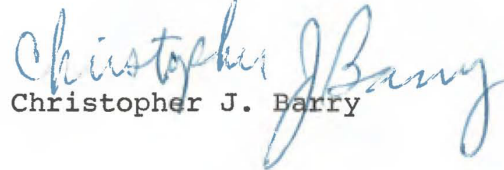
You and Tom Sparks should coordinate the forwarding to the banks with which Northern Commercial Company will

BOGLE & GATES

Northern Commercial Co.
January 3, 1977
Page 2

maintain banking arrangements of certified copies of the
banking resolution and other documentation as required in
each case. Please give me a call if you have any questions
or if I can help in any way.

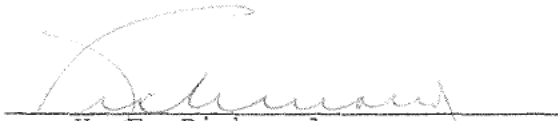
BOGLE & GATES


Christopher J. Barry

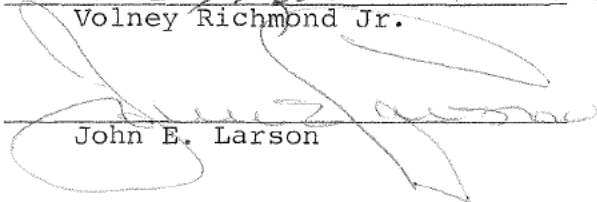
Enclosures

ASSIGNMENT OF SUBSCRIPTION RIGHTS

For and in consideration of ONE DOLLAR (\$1.00) in hand paid to each, receipt whereof is hereby acknowledged by each of the undersigned, the undersigned hereby assign all of their subscription rights to the common capital stock of Washington Commercial Company, N C Marine Co., N C Machinery Co. and Northern Commercial Company, Inc., Washington corporations, to Northern Commercial Company, a Delaware corporation.


H. E. Richmond



Volney Richmond Jr.

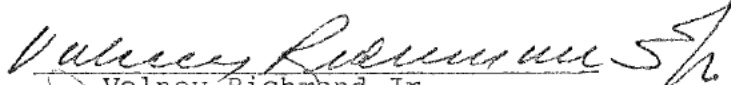

John E. Larson

DATED: December 30, 1976

ASSIGNMENT OF SUBSCRIPTION RIGHTS

For and in consideration of ONE DOLLAR (\$1.00) in hand paid to each, receipt whereof is hereby acknowledged by each of the undersigned, the undersigned hereby assign all of their subscription rights to the common capital stock of Washington Commercial Company, N C Marine Co., N C Machinery Co. and Northern Commercial Company, Inc., Washington corporations, to Northern Commercial Company, a Delaware corporation.


H. E. Richmond

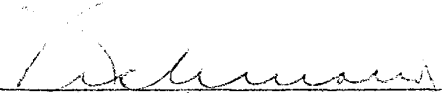

Volney Richmond Jr.

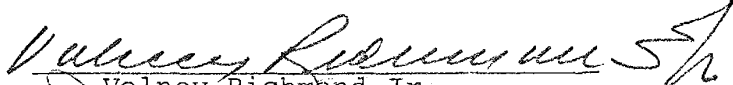

John E. Larson

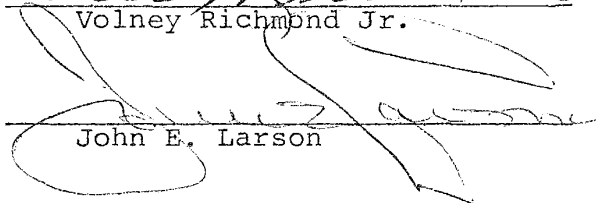
DATED: December 30, 1976

ASSIGNMENT OF SUBSCRIPTION RIGHTS

For and in consideration of ONE DOLLAR (\$1.00) in hand paid to each, receipt whereof is hereby acknowledged by each of the undersigned, the undersigned hereby assign all of their subscription rights to the common capital stock of Washington Commercial Company, N C Marine Co., N C Machinery Co. and Northern Commercial Company, Inc., Washington corporations, to Northern Commercial Company, a Delaware corporation.


H. E. Richmond

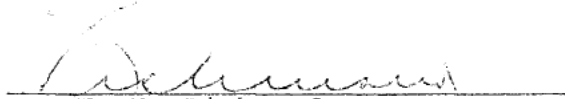

Volney Richmond Jr.

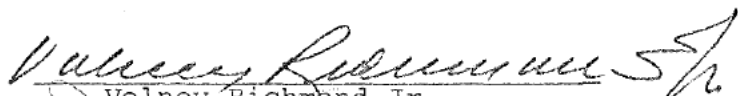

John E. Larson

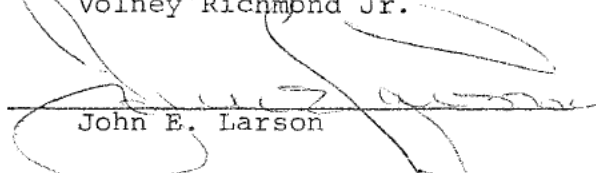
DATED: December 30, 1976

ASSIGNMENT OF SUBSCRIPTION RIGHTS

For and in consideration of ONE DOLLAR (\$1.00) in hand paid to each, receipt whereof is hereby acknowledged by each of the undersigned, the undersigned hereby assign all of their subscription rights to the common capital stock of Washington Commercial Company, N C Marine Co., N C Machinery Co. and Northern Commercial Company, Inc., Washington corporations, to Northern Commercial Company, a Delaware corporation.


H. E. Richmond


Volney Richmond Jr.


John E. Larson

DATED: December 30, 1976

| NUMBER | | SHARES | |
|--|---|--------|--|
| 1 | | 3 | |
| <p>Incorporated under the Laws of the State of Washington</p> <p>NORTHERN COMMERCIAL COMPANY, INC.</p> | | | |
| <p><u>1</u> <u>100</u> registered holder</p> | <p>N COMMERCIAL COMPANY is the THREE (3) Shares</p> | | |
| <p>Stock of NORTHERN COMMERCIAL COMPANY, INC., on the books of the Corporation by the holder hereof in upon surrender of this Certificate properly endorsed.</p> | | | |
| <p><u>III</u> <u>III</u> by its duly</p> | <p>the Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed 3 day of December, A.D. 1976.</p> | | |
| <p><u>Volney Richmond, Jr.</u> Volney Richmond, Jr., President</p> | <p><u>John E. Larson</u> John E. Larson, Secretary</p> | | |

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations.

| | | | |
|---------|---|---------------------|-------------------------------|
| TEN COM | -- as tenants in common | UNIF GIFT MIN ACT-- |Custodian..... |
| TEN ENT | -- as tenants by the entireties | | (Cust) (Minor) |
| JT TEN | -- as joint tenants with right of survivorship and not as tenants in common | | under Uniform Gifts to Minors |
| | | Act..... | (State) |

Additional abbreviations may also be used though not in the above list.

For value received, _____ *hereby sell, assign and transfer unto*

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF ASSIGNEE

_____ *Shares*
represented by the within Certificate, and do hereby irrevocably constitute
and appoint _____

Attorney to transfer the said shares on the books of the within-named Corpora-
tion with full power of substitution in the premises.

Dated, _____

In presence of _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATSOEVER.